Featuring Steel and Construction Securities

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Vol. XXI. | 10c. a Copy; $5.00 a Year | PUBLICATION OFFICE: TORONTO, JANUARY 28, 1927 | Member of Audit Bureau of Circulations | No. 4

The Nation's Business

Advertising Canada Is $8,000,000 Yearly Too Much to Spend?

Start Should be Made on National Publicity

English Reviews Express Disappointment

THE suggestion of J. Allan Ross that Canada should put an appropriation of $8,000,000 a year into the Federal budget in each of the next three years, the money to be spent on advertising Canada in the United States and Great Britain is an indication of the way business men are thinking to-day on the question of publicity for this country. From coast to coast, our public men are awakening to a realization of the fact that Canada's untold opportunities are not known outside of our own borders to the extent that they must be known if we are to draw to the fullest measure of capital, initiative and population from other countries.

Business men generally will agree with Mr. Ross's premise even if they disapprove his suggestion of an expenditure of $24,000,000 in the next three years. Mr. Ross is an able business man and Canadian manager for the William Wrigley Company, the shining example of a concern built on the extensive advertising of a product of defined quality.

* * *

MR. ROSS believes that there is no land or people blest with greater semi-dormant riches than Canada. "All we lack is population," said Mr. Ross in Toronto this week. "England and the United States offer to Canada a market of 150,000,000 people, to which we may go with our offer of Canadian opportunity. But we will continue to grow in people very slowly if an intensive selling campaign of the opportunities Canada offers is not carried on in every sound and reasonable way over the next five years. Speaking of our citizenship in a commodity sense, we have an outstandingly meritorious product to offer. The next few years will offer a marvellous opportunity to sell Canada to the world as a place to live in. To take advantage of the opportunity will require a high order of selling sense.

"The limit of cost of nation publicity is a question of proper balance between resources and expenditure. I would put the sum of $8,000,000 in the federal budget every year for the next three years to be spent specifically to tell the people in England and the United States, through every channel of publicity, about Canada, our golden opportunity, our certain future. That would be good salesmanship."

* * *

APPROVING Mr. Ross's general argument, it may be said that his suggestion of an annual expenditure of $8,000,000 will conceivably do more harm than good. The large sum mentioned is likely to frighten the general mass of people, making them see the advertising of Canada as a gigantically costly job, and making it harder for the government to take any steps at all. Building up adequate publicity for Canada abroad must be a sound process entered into carefully and gradually, as a business concern would enter into advertising. Private businesses do not suddenly launch into enormous advertising expenditures. They make substantial initial appropriations, requiring these to do the work of financing increases from year to year. Advertising appropriations running into millions of dollars are all built up gradually, as Mr. Ross, from his experience with the Wrigley Company must recognize.

* * *

THE main point for consideration at the moment is that practically nothing is being done, in a concerted way, to advertise Canada and that other nations and Dominions are winning out over Canada in this regard. It is important that something be started at once, even though an $8,000,000 annual expenditure it, at present, out of the question. In Britain there should be established without delay, a Canadian publicity office, with money to spend on periodical advertising, press publicity, etc. Arrangements should be made to supplement this general publicity with direct advertising of different classes of Canadian merchandise, working with and contributing to the expenditure of such associations as the organized apple growers, the dairies and creameries, the automobile makers, etc.

Canada is losing out in England, and also in the United States, because it is doing nothing. The initiative must lie with the Federal government and from that quarter Canadian business expects leadership. If business makes its case known it will undoubtedly get such leadership.

* * *

TO MANY in England, the Imperial Conference was a grave disappointment, just as it was to business men in Canada. This is apparent from

(Continued on page 9)

Imperial Oil's New $1.50 Dividend Rate Likely to be Continued

Though President Careful to Avoid Committing Directors

STILL BUSY IN WEST

Enormous Success Attending Operations in South America Subject of Review in Report

Announcement of an increase in the dividend of Imperial Oil was, of course, the most interesting of the announcements made at the annual meeting of the company. The dividend to be paid for the current quarter is 37½ cents, which compares with 25 cents per quarter, plus 25 cents annual bonus, last year. The investors are now wondering if the 37½ cents represents a new dividend basis or merely a continuation of the old basis plus 12½ cents bonus. The president, C. O. Stillman, was careful to avoid committing the company to a continuation of a dividend basis of 37½ cents quarterly, stating that future dividend declarations would depend upon business conditions. However, the new declaration, for practical purposes, may be regarded as the inauguration of a dividend rate of $1.50 per share per annum. This increases the yield on Imperial Oil at the present market from about three per cent. to 3.60 per cent.

The new dividend basis of $1.50 per share, if maintained during the year, will take $9,750,000. This is an indication of the company's earning power. No profit and loss figures or balance sheet were shown to the shareholders at the annual meeting, the directors considering it still advisable, in the interests of shareholders, to withhold such information. However, Mr. Stillman reviewed at considerable length business conditions in relation to the company's Canadian business; the search for oil in Western Canada, and the growth of operations in South America.

In addressing the shareholders, C. O. Stillman, president of the company, said results during the past year were on the whole satisfactory, despite the setback to western harvesting operations due to bad weather, and prospects for the present year are far from unpromising. The increased purchasing power of the community and the greater consumption of commodities, which were in evidence in practically all branches of trade last year, was reflected in a larger output of the various products of the company.

The wider markets enjoyed by the company were, to some considerable extent, obtained through the improvement in refining practices and the production of new products which found general favor with consumers. New refining equipment was perfected early in the year, which was successful in producing new motor oils from Peruvian Grade. The scientific advance in the development of what is known as the cracking process not only resulted in manufacturing economies, but has made available a motor fuel of high anti-knock characteristics. In this the company has kept pace with the progress of the petroleum industry in its effort, through the utilization of this process, to improve the fuel value of gasoline and to ensure an adequate supply against its rapidly increasing consumption.

Competition More Intense

Competition in the petroleum industry of Canada is yearly becoming more intense. Market values of the different commodities of the company are largely governed by conditions existing in the most competitive market in the world—the United States. Companies in this country are compelled to maintain large investments in storage facilities, tank cars, motor equipment, etc., sufficient to meet the peak of the seasonal demands, although possessing no earning power a considerable part of the year.

In referring to the company's activities in the Western Canadian oil fields, in which several million dollars has already been spent on exploitation work, Mr. Still man said: Our geologists have defined for us two broad divisions of the Western Provinces; the Great Plains and the Foothills Belt. The latter, though much the smaller area, gives large promise on account of its more pronounced structures. Our Erickson Coulee well, drilled on Hudson's Bay lands, has encountered ten million cubic feet of dry gas at two horizons and deeper drilling is now in progress in the Madison limestone. A deep test well is being drilled in the Bow Island gas field near Burdett, by arrangement with the Calgary Gas Company. Oil sand has already been encountered, but as it was not in commercial quantities, the hole is being carried deeper. Our Ribstone No. 1 well is being drilled on acreage owned by the Canadian Pacific to test the area on the Alberta-Saskatchewan boundary near Chauvin.

Encouraging Results

"These three wells represent our activities in the Plains area, and it will be noted that, although success has so far eluded our efforts, we are encouraged by these indications of gas and oil, which may tend to show that commercial production is within the realm of possibility.

"In the Foothills area more intensive operations are proceeding, especially in Turner Valley. Our Royalite No. 4 well still gives cause for satisfaction as, in its second complete year of production it has actually increased its output, yielding roughly 200,000 barrels of crude naphtha, as against 168,722 barrels in 1925. Our deliveries of gas to Calgary

(Continued on page 9)

Consumers Gas Not Likely to Build Plant

While executives of Consumers Gas Co., Toronto, are watching with interest the proposals for a subsidy for coke plants manufacturing coke from Canadian coal, it is thought improbable that Toronto could benefit from the scheme. Central Ontario is deemed too far from the source of supply and it is contended that a superior grade of coke is obtainable from United States coal.

Incidentally, discussion as to the manufacture of coke from Canadian coal has directed attention to the anomalous situation existing as to the importation of United States soft coal by companies manufacturing coke. The duty of 50 cents the ton is applied to companies manufacturing coke for domestic purposes. But coke itself comes in free of duty.

Another Bank Merger Topic of Gossip Now

Rumors are going the rounds of banking circles that another bank merger is under discussion. One of the big four is mentioned as purchaser of a smaller bank.

It is over a year since the latest bank merger in Canada (the Royal-Union fusion) and with improvement in bank assets and earnings, discussion of further mergers has gradually died down. A year ago, at least two mergers were being actively mooted and of these no more has been heard. The present "merger" may go the same way.

The smaller of the two banks now mentioned is in the best of financial condition and any merger would be voluntary and not from necessity.

What the attitude of the minister of finance would be to a new bank merger is doubtful. It is known that the government is unfriendly, particularly in the case of mergers that tend to upset the equilibrium between Toronto and Montreal in banking control.

Montreal Stock Exchange Seat Sells at $32,000

From Our Own Correspondent.

MONTREAL.—The Montreal Stock Exchange seat of Gordon H. Strathey, dean of the Montreal stock brokers, has been sold to R. J. Dawes, who has been associated with McDougall and Cowans for some years. The price was $32,000, representing an increase of $2,000 over the last previous sale. The record high ever paid for a seat on the Montreal Stock Exchange was $36,000 some years ago, since when, however, the price has gone considerably lower.

DURANT DECIDES TO LOWER PRICES ON STAR AUTOS

Canadian Company Takes Steps to Meet Keenest of Competition

11,000 SHAREHOLDERS

This, Plus Dealer Loyalty and Vehicle of Good Quality, Expected to Bring Sales to 15,000 Mark

Durant of Canada production in 1927 will be 15,000 passenger cars and several hundred commercial vehicles. Beginning February 1st, 450 men will be employed at the Leaside plant and as many as 600 will be employed in the rush of spring and early summer production.

Durant expects more severe competition in Canada in 1927 than ever before. To met this competition the management already has determined:

1. To reduce the price of the cars to the motorist.
2. To maintain the good quality of the product which has won the confidence of dealers and owners.
3. To introduce commercial vehicles on the market in the form of trucks up to 1½ ton capacity.
4. To continue a policy of co-operation with the dealer in order to maintain his loyalty to the organization.

Dealers Are Loyal

Dealers gathered in Toronto recently and heard these announcements from Roy D. Kirby, general manager of Durant of Canada. Mr. Kirby stressed that the strength of the company lay in the fact that its dealer organization was loyal and hard-working as well as extensive and he promised that the company would go the second mile in order to help the dealer and, through him, to maintain pleasant and profitable relations with the public.

The reduction in the price of the cars will reduce the net income, it is anticipated, by a considerable amount unless sales are increased proportionately and economies in manufacture effected by maintaining a high rate of production. Mr. Kirby promised that there would be no diminution in the quality of the vehicles.

Entrance of Durant of Canada into the commercial-vehicle field opens a new source of profit for the organization. The trucks to be built will be of the speed-wagon type and will be able to attain a speed of 50 miles an hour.

The export market for passenger cars is developing nicely. The cars are proving especially popular in Australia. This business had its inception last August and from then until the end of December, 2,600 cars were sent overseas. The management estimates that the 1927 export business will total at least 5,000 cars. The management of the parent company in the United States is co-operating with Durant of Canada in developing the export market in the British dominions.

It is expected that at least 10,000 new cars will be marketed in Canada in 1927. The Star six-cylinder car will

(Continued on page 4)

Montreal Power to Start Coke Oven Development

From Our Own Correspondent.

MONTREAL.—It seems probable that the Montreal, Light Heat and Power Consolidated, operating in conjunction with other interest will erect coking ovens in Montreal. Among the others said to be interested in the projected development is the Koppers Company. The latter specializes in coke oven developments.

Montreal Power manufactures coke at present, but the coke produced is in reality a by-product of its gas production. The new coking ovens which will be established will produce primarily coke and coal tars with gas as a by-product.

The coke produced in the latter fashion is extremely suitable for domestic uses and could be used to compete in a field now absorbing around 1,000,000 tons of American anthracite. This is the annual consumption in the Montreal district. Experience in large American cities indicates that 60 per cent. or more of the total consumption of anthracite may be replaced by coke, but even if only 40 per cent. were replaced, it would mean a market for 400,000 tons annually for the company.

Operate as a Subsidiary

It is rumoured that the new coking plants will be operated as a subsidiary of the Montreal Light, Heat and Power Consolidated; the other interests co-operating with Montreal Power would naturally have a large interest in the undertaking.

While such plants would have as their primary object the production of coke and valuable coal tar, yet there would be a large surplus of gas available which would be sold direct to the Montreal Power. The company would thus obtain a much increased production of gas, some of which would no doubt be sold under long term contracts to industrial users. The distribution of the production of gas by Montreal Power should work out satisfactorily, for the subsidiary company would not then have to go to the expense of installing gas mains and all the other costs incidental to distribution.

At its present gas plants, Montreal Power is using U.S. slack coal, but the British Empire Steel Corporation is now asking for some protection on Canadian coal used for coking purposes. If protection, either by tariff or by bounty, is granted to coal from Canadian mines, it is probable that the new gas ovens might then utilize coal from Nova Scotia.

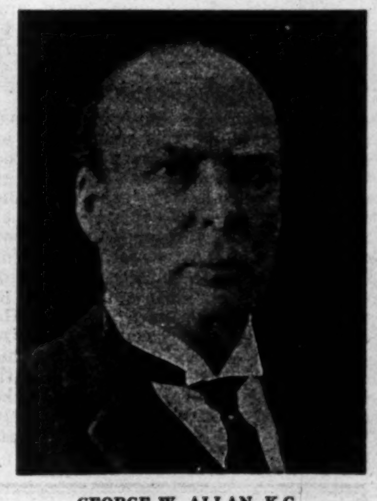
No Announcement Yet

No official announcement has been made regarding the new coke oven development, but John S. Norris, vice-president of Montreal Power has said that the company is working in conjunction with those who understand the coke oven business, and is seriously considering the question of establishing ovens in Montreal with a view to solving the fuel problem of Montreal and the surrounding territory. The fuel problem is that for domestic heating, Montreal like every other section in Central Canada, is dependent on a supply of American anthracite for house heating.

If the British Empire Steel Corporation is successful in having a tariff or bounty placed on Canadian coal used for the manufacture of coke it would seem that the Dominion would become more self-supporting as far as a fuel supply is concerned.

Hudson's Bay Company is Not to Invade East; No Store for Toronto

Denies Store Rumor



GEORGE W. ALLAN, K.C., Chairman of Canadian Committee, Hudson's Bay Company, who informs The Financial Post his company is not to build in Toronto or Montreal.

Canadian Chairman Denies Rumors About Eastern Stores

CONCENTRATE IN WEST

Company Working to Promote Migration to Canada, Knowing it Will Benefit Directly as West Gains

The Hudson's Bay Company will not erect a department store in either Toronto or Montreal. Emphatic denial of recent reports that the company planned to invade the eastern merchandising field was made this week to The Financial Post by George W. Allan, K.C., of Winnipeg. Mr. Allan is the Canadian spokesman for the company, being a member of the London committee and chairman of the Canadian committee of the Hudson's Bay Company.

Mr. Allan further amplified his denial that the company would erect a store in Toronto, or Montreal. "The company has no option on a Toronto site as has been reported. It has made no inquiries regarding sites or even as to the possibility of entering Toronto or Montreal and it has no plans for stores in those cities," he said.

Bloor and Bay Mentioned

Mr. Allan's denial disposes of a series of rumors that have been going the rounds of merchandising and financial circles for some months. The chief point in the stories told was that the company has arranged to build a large department store at the corner of Bloor and Bay Sts., Toronto, and that this development would be followed by the erection of a store in Montreal. The Toronto story was of particular interest in that the erection of a new store at Bloor and Bay Sts. would have been an important factor in moving the retail centre of Toronto further uptown and would undoubtedly have had a direct effect upon existing large stores, which are downtown.

Hudson's Bay Company at the present time has activities of one kind and another in every province in Canada but east of the Great Lakes the activities consist of trading posts only. The four Western provinces are the only ones in which the Hudson's Bay Company operates departmental stores. It has two such groups of stores. One group, controlled from Vancouver includes department stores in Vancouver, Victoria, Kamloops, Vernon, Nelson, Calgary and Lethbridge. The other group, controlled from Winnipeg, includes department stores in Winnipeg, Saskatoon, Edmonton, Regina and Yorkton, other retail outlets of the company are not considered of sufficient importance in a merchandising way to be classified as department stores.

"Our department stores are logical developments from our trading posts," Mr. Allan said to The Financial Post. "258 years ago when this company began operations in Canada it laid the foundations of the fur trade in Canada. Its posts became not only centres for the collection of furs, but for the distribution of goods and wares to the traders and settlers. When I went to Winnipeg, 48 years ago, the Fort Garry post was the place where everybody

(Continued on page 4)

THREE FACTORIES OF GOODYEAR CO. WORK FULL TIME

Records Achieved at New Toronto, Bowmanville and St. Hyacinthe

EXPORTS GROWING

The Goodyear Tire & Rubber Co. is operating its three plants, the tire and rubber works at New Toronto and Bowmanville, and the cotton plant at Ste. Hyacinthe, to capacity. Production records have been broken in the last week or two and there is gossip in financial circles that the company intends to increase its facilities shortly. There is no confirmation of this last.

Goodyear profits for the year ended last September 30th were at the record figure of $2,246,641.

While enhanced prosperity accounts in large measure for the growing domestic sales of the company's products, both tires and other rubber manufactures, it is noted that this, the largest rubber company in the Dominion, has shared proportionately in the increased export business.

Shows Export Growth

The government figures showing exports of tire casings, are illuminating. The total for the fiscal year ended March 31, 1924, was $5,701,903, for the fiscal year ended March 31, 1925. $6,183,492, and for the fiscal year ended March 31, 1926, the last full year available, the exported casings were valued at $11,616,505. Of course, these figures cover a period when the value of rubber products grew enormously because of the operation of the Stevenson act which curtailed the marketing of raw rubber from British colonies. But the actual number of casings exported in this period is similarly impressive and gratifying from the viewpoint of Canadians generally, as well as investors in rubber companies. The figures for the fiscal years are:

Year	Casings
1924	521,544
1925	619,724
1926	1,010,070

More than 50 countries bought Canadian-made tires in this period. The United Kingdom was the best customer, taking 195,666 casings to the value of $1,963,532. New Zealand was second, taking 150,049 tires to the value of $2,078,679. Argentina was third, taking 103,011 tires to the value of $1,050,446.

Directors Hear Result of Christie Brown's Year

Preliminary figures showing the earnings of Christie, Brown & Co., biscuit manufacturers, were presented to the directors at a meeting this week. While the results were not revealed, they are known to have been highly satisfactory. The balance sheet will be published when the formal audit has been completed.

An indication of the gratifying progress made by this company is the fact that only $600,000 of the $1,000,000 ten-year bonds issued in 1925 remain outstanding and it is possible that a further block will be retired shortly. No definite action has been taken on the matter of retiring the preferred stock.

Maynard Joins McCuaig

MONTREAL.—J. W. Maynard, formerly associated with the Bank of Montreal, has been appointed manager of the uptown branch of the Montreal Stock Exchange house of McCuaig Brothers & Company.

Investor's Index

Algoma Steel	24	Goodyear	1
Anglin Norcross	25	Gotfredson	32
B. A. Oil	11	Gould Pumps	16
Bk. of N.S.	13	Greening Wire	32
B. C. Fish	4	Huron & Erie	13
B.C. Oilfields	2	Imperial Bank	11
Belding Cort.	4	Imperial Oil	1
Belgo Paper	6	Investors Trust	12
Bell Tell Co.	8	Lake Ont. Brew.	12
Besco, etc.	19	Lake Superior	24
Brandram-Hend.	18	Lyall Constr.	24
Brooks Motors	11	Man. Power	8
Can. Asso. Co.'s	11	Mfrs. Life	7
Canadian Car	25	Mass.-Harris	4-11-31
Can. Canners	11	Mattagami Pulp	6
Can. Cement	23	McKinnon	23
Can. Gen. Elec.	24	Metro. Bldg.	11
Can. Int. Paper	6	Milton Brick	16
Canada Iron	25	Mntl. Power	8
Can. Loco.	21	J. S. Mitchell	24
Can. Mach.	12-23	Natl. Brick	16
Can. S. Lines	8	Natl. Cement	32
Can. Trust	13	Nat'l. Steel Car	18
Can. Westing.	26	Nor. Amer. Life	13
Dr. A. W. Chase	11	North. Elec.	25
Christie Brown	1	Ontario Loan	9
Clarendon Apts.	11	Ontario Steel	18
Cockshutt Plow	23	Page-Hersey	25
Consumers' Gas	1	Pedlar People	19
Cont. Life	14	Perfection Glass	9
Dom. Alloy	16	Port Hope Sani.	23
Dom. Bridge	21	Pressed Metals	19
Dom. Engineer.	31	Prov Paper	7
Dom. Foundries	11-24	Rowntrees	12
Dom. Radiator	25	Russell Motor	26
Dryden Paper	6	Sawyer Massey	26
Durant	1-32	Shawinigan	9
Eng. Electric	16	Sherwin-Wms.	25
Excelsior Life	7	Steel of Can.	21
Fairbanks-Morse	16	Straw Paper Co.	6
Ford of Can.	26	Toronto Casualty	7
Foundation Co.	31	Toronto Mortg.	2
Found. & Forg.	24	Willys-Overland	26
MINES			
Andean Copper	28	Nipissing	29
Archean-Harvie	31	Paymaster	27
Argonaut	30	Porc. Kirk.	28
Barry Holl.	30	Rouyn Bolsch.	30
Corona	28	Royalite	27
Duprat	27	Smelters	27
Howey	27	Teck Hughes	30
Lake Shore	29-30	Towagamac	28
Munro Copper	30	Thormoor Corp.	29
McIntyre	27	Vickers	27
Noranda	28	Wom'n Lk.-Sn.	28-30

Background of Canadian Business

By JOHN E. LANGDON, Business Editor, The Financial Post.

WEEKLY REVIEW OF CONDITIONS

Industrial Operations on Broad Scale Likely for 1927
National Advertisers to Carry on More Extensive Campaigns
Heavy Tonnage of Iron and Steel; Low Prices Prevail
Manufacturing Activities on Limited Scale at Present

NO UNEASINESS is apparent as to prospects for business during the year; rather has there developed in the past few months a marked feeling of confidence which has found its way into all walks of the national life. In the situation as exists to-day, one does not find any trace of "bullishness," but on the other hand, there is a noticeable feeling of optimism, tempered with conservatism, that industrial operations will be carried out on a broad scale.

The tremendous production of our industries in the past year has set a new high mark for all time. There have been one or two lines of activity, of course, which did not come up to the expectations but, generally speaking, conditions have been promising. Taking a broad perspective of the situation, there does not appear to be any valid reason to believe that the present year will witness any marked falling off from the high scale of production set during the past twelve months.

Many Favorable Signs

There are numerous indices to show that the trend is favorable. Credit is easier now than it has been for some time; funds are plentiful and interest rates are low. Commodity prices have been slowly moving down to lower levels. Transportation companies are better equipped to facilitate the movement of merchandise; new capital is available for developing of our forests and water power resources. Other favorable factors bearing upon the present situation could be quoted, but these few have been picked at random to show that there is good and sufficient reason for optimism in the present outlook.

To Advertise More Extensively

Probably the most tangible expression of the prevalent feeling is that of the recent survey, conducted by the advertising publication, Marketing, covering appropriations set aside by some three hundred National advertisers in Canada for this year's work. An analysis of the returns show that 76 per cent. of the advertisers have increased their appropriations, and 24 per cent. show no change; not one of the three hundred questioned stated that they would spend less. These percentages are derived from advertiser's letters alone. In the case of letters from publishers and agencies only one correspondent suggested that the volume of his business might be less. The balance, based on contracts already on hand, were confident of gains.

Automobile Output High

Along these lines, comes the final figures of automobile production last year. There were 205,000 vehicles manufactured during 1926, being the highest production ever recorded by the industry. In money value, these motor vehicles represent over $124,000,000. This compares with an output of 162,221 units, valued at $103,541,571 in the previous twelve months. Except for the last three months, monthly output during the past year exceeded the corresponding periods of 1925 by a considerable margin.

Final figures of primary iron and steel production for the same period also hold out encouragement for a continuation of the present scale of production. There was a considerable improvement in quantity production during 1926 over the previous year, largely because of the pronounced prosperity of the construction and automotive industries, and the improved conditions of the Canadian railways as reflected by substantial orders for rails and new equipment.

Iron Tonnage Improves

While the greater tonnages indicated some general improvement in the iron and steel business in Canada, the returns to the industry were restricted by lower prices prevailing during the year. Imports of European steel into the Maritime provinces at low valuation, tended to keep prices down. Production of pig iron totalled 737,503 long tons, an increase of 29 per cent. over the total for 1925, while steel ingots and direct steel castings at 776,888 tons showed little change from the 752,695 tons of 1925.

Aside from low values, the iron and steel situation is in a fairly healthy position. The majority of the plants were able to operate during the greater part of the past year and orders on hand have enabled them to carry on until the large spring orders start coming in.

Traffic Movement Heavy

Car loadings to date have been running at about the same level as at this time last year. During the week ended January 15, loadings showed a seasonal increase over the previous week of 1,650 cars and of 2,399 over the corresponding period of 1926. Cumulative totals are for two full weeks in 1927 and two full weeks and an estimate of one-fifth of the week ended January 2, 1926. On this basis, loadings for last year are 3,645 ahead of this year. But this decrease has no particular significance of the trend of business as the effect of the extra day's loadings in 1926 totals will diminish as the totals increase.

Canadian Business Indicators

Compiled weekly by The Financial Post

	1927	1926	
Car loading, week Jan. 15	59,128	56,729+	4%
Year to date	116,600	119,945—	3%
Merchandise shipped, year to date	29,393	29,871—	1%
Grain Receipts, Aug. 1 to Jan. 7	245 050,129	288,365,659—	15%
	1926	1925	
Building permits—November, (63 cities)	9,968,937	7.988.765+	24%
Construction contracts awarded, year	372,947,900	297,973,000+	25%
Railway Earnings—Eleven Months—			
C P. R. gross	180,233,610	163,537,400+	10%
C. P. R. net	43,328,944	35,327,983+	22%
C. N. R. gross	242,854,988	221,119,532+	9%
C. N. R. net	41,451,628	26,916,205+	64%
Pig Iron Output—tons, November	52,345	68,535—	23%
Steel Ingot production, November tonnage	54,311	73,205—	25%
9 months to November 30	718,895	690,342+	4%
Employment—December index	101.1	95.3	
Newsprint production—December tonnage	163,177	136,983+	19%
Automobiles produced—11 months to November 30	197,364	153,317+	29%
Immigration, 11 months, to November 30	130,569	80,904+	62%
Business failures—No. of firms,, 12 months	2,196	2,371—	7%
Liabilities	37,082,882	45,767,8,25—	19%
Imports of key commodities, 12 mos. ending November 30—			
Rubber (raw, in pounds)	46,265,412	42,521,452+	9%
Cotton (in pounds)	138,413,094	116,312,505+	19%
Crude petroleum (in gallons)	675,856,465	510,045,574+	33%
Exports of key commodities, 12 months ending November 30—			
Canned salmon, cwt.	633,286	735,985—	14%
Newsprint, cwt.	34,254,360	27,607,171+	24%
Wheat flour, bbls.	10,614,111	10,104,787+	5%
Wheat, bushels	262,245,483	195,183,664+	34%
Bank clearings, year	17,651,333,319	16,731,441,880+	5%
Saving deposits, Nov. (chartered banks)	1,367 295,012	1,298,831,228+	5%
Current loans, Nov. (chartered banks)	986,400,696	909,977,043+	8%
Exports, 12 months to November 30	1,305,715,729	1,219,861,088+	7%
Imports, 12 months to November 30	1,003,485,204	874,221,547+	14%
Balance of trade, 12 months to November 30	302,230,525	345,639,541—	12%
Price level, December index, 236 commodities	150.5	163.5	
Bond sales, 12 mos.	567,341,196	496,500,000+	14%
	1927	1926	
Pig iron (Number 1 foundry) Jan. 18	25.80	Jan. (Aver.)	26.85
Cattle—Good, Toronto, Jan. 24	7.25	Jan. (Aver.)	6.74
Wheat, No. 1, Nor. Winnipeg, Jan. 24	1.37	Jan. (Aver.)	1.93
Hogs—Select, Toronto, Jan. 24	11.00	Jan. (Aver.)	$13.82

B.C. OILFIELDS PROFITS HIGHER IN FISCAL YEAR

Directors State Output Much Increased During Past Twelve Months

From Our Own Correspondent

MONTREAL.—The annual report of the British Controlled Oil-fields for the fiscal year ending July 31 last, reveals a decided improvement in both gross and net earnings. The profit and loss figures for the last two fiscal years compare as follows:

	1926	1925
Production	$ 4,251,755	$ 3,539,134
Invest. sale	....	1,967
Int., etc., rec.	91,114	26,353
*Prof. transf.	988	....
Total	$ 4,343,857	$ 3,657,699
Expenses	1,829,635	1,766,577
Balance	$ 2,514,222	$ 1,891,122
†Other expenses	68,492	11,562
Balance	$ 2,445,730	$ 1,879,560
Written off	657,276	617,323
Surplus	$ 1,788,454	$ 1,262,253

*—From Santa Lucia and San Jose estates.
†—Directors' fees.

Balance Sheet Changes

The balance sheet reveals many changes amongst the liabilities. Concessions and developments have been reduced by over $7,000,000, while investments are up by about $500,000. The suspense account has been increased from $22,721,920 at the close of the last fiscal year to $32,450,519. With the exception of the increase in the surplus account, shown in the foregoing profit and loss figures, changes amongst the assets were of a minor character only.

The report to the shareholders says that with some reservations, the agreement with the Standard Oil Company was terminated on November 30 last, and that the agreement was undoubtedly responsible in part for the increased production. The output has increased from 30,000 barrels weekly last February to 57,500 barrels for the week ending December 1, 1926, thus approaching the highest production ever attained by the company. The report concludes with a summary of the operations in the several fields which are being developed.

SELLS BONDS; BUYS MORTGAGES

Toronto Mortgage Shifts Funds to More Profitable Investments

In explanation of the new item, "Profit on sale of securities $10,267," which appeared in the annual report of the Toronto Mortgage Company, The Financial Post is informed by Walter Gillespie, manager, that this represented profit on the disposal of about a quarter of a million dollars of 5 per cent. bonds. The proceeds were re-invested in good 6½ per cent. mortgages.

By this transaction the company not only recorded a profit which it was able to add to surplus, but it increased the revenue-producing power of these funds.

Toronto Mortgage showed a net increase in its mortgage holdings and a net increase in bond holdings during the year.

Furs to the value of $1,804,000 were handled by the Winnipeg Fur Auction Sales Co. this year, as against $785,000 in 1922—the first year of operation.

INCOME TAX PROBLEMS

Avoiding Taxation in Re-Capitalizing

By an Income Tax Expert
PROBLEM No. 10.

Let us consider a problem, that shows how taxation can be avoided by taking the proper steps in re-capitalizing a company. Further capital stock is issued as fully paid up, out of an appraised value of capital assets by a Company having on hand an earned surplus, what tax liability is involved?

This is a question that has a wide application. Many companies, for many purposes wish to increase their capital stock outstanding. Sometimes it is for the reason that the dividend is too large and attracts attention; or the surplus of the company is proportionately too large to the paid up capital and likewise, the volume of business. Perhaps a higher capitalization would mean that banking facilities might be more easily procured. There are many other general and particular reasons for wanting to do this.

For some good reason, we will suppose Company A wishes to increase its paid up capital stock. This company has not only been prosperous but its capital assets, real estate, for example, have increased in value to a very marked degree, not only over their depreciated book value but over their original cost. This value may be due to a dozen different causes, but nevertheless it is there. An appraisal company may add the weight of its opinion to this conclusion.

Two Kinds of Surplus

The company also has a substantial reserve accumulated out of many years of current earnings, some of the earnings being prior and some subsequent to January 1st, 1917, the commencement of the Income Tax Act. In short, the company has an actual earned surplus and an appraisal capital surplus, if one may so term it.

Let us assume this company wants to write into its books the increase in the appraised value and to offset this by the issue of further fully paid up capital stock. A stock dividend would be issued to the shareholders and the capital surplus arising from the newly recorded appraisal values would be used to pay up these shares.

Is the shareholder liable to taxation on this stock issue? If so, to what extent?

It would appear that he is, in view of the manner in which the thing has been done.

In the first place it is axiomatic that a company cannot deal, or make a profit, with itself. Though its assets be worth ten times their cost, yet like Canada's potential assets, they are no use until developed, i.e. sold. There is no profit, no realization in law, until the thing is sold. It is quite understood that appraisals have their use and their recognition in certain circumstances, but here all there is, is an unrealized value. If in law they have done nothing by recording these estimated values in their books it seems to follow from "nothing in law" to nothing in taxes—no liability. There is this difference, however, in the next step, that is in the issuing of paid up capital stock. It is done under statutory authority—the Companies' Act. It is a new liability acknowledged by the company to its shareholders, accepted by the shareholders and subsequently held out to the public and traded on. Company and shareholders' benefits are actually accepted thereby. The stock issue is viewed as a thing apart from the writing up of assets.

The stock issue is nothing more than what is usually referred to as a stock dividend where the earned surplus is capitalized.

Sell Assets To Save Taxes

If the capital assets had been sold then there would have been a real actual capital profit out of which the stock could have been issued as fully paid up. It is the lack of sale of the capital assets that precludes the company from showing that the stock was actually paid up out of a capital profit on hand. Without sale the whole thing is mere estimate as far as the company is concerned and the real thing that gave and gives the value to the shares issued is the earned surplus and that, to the extent so capitalized in substance and in fact, although not so reflected in the books of the company, is the amount upon which shareholders, proportionate to their holdings, will be called upon to pay tax.

It seems, however, that if a new company were incorporated and the assets of the old company sold to the new for shares in the new, then the old company would become a holding company and therefore all or any of the desired purposes referred to above could be attained in the new company, including the use substantially of the of the name of the old company — probably adding a letter or an article such as "the" or some such simple expedient. If more than only increased capital from the company's point of view is desired and the shareholders, for market purposes or otherwise, want more shares in their actual possession, this can be accomplished, inasmuch as there is now in the holding or old company an actual capital surplus realized through sale, which under proper circumstances would permit of the issue of further paid up shares to its shareholders. And so in law and in fact that which could not be done by way of appraisal of the assets of the old company has by this method actually been achieved and without any added tax burden.

This is not to be confused with the question as to whether a stock dividend is taxable or not. That is another question and a different one. Stock dividends will be discussed later at some length.

Castings Eleventh Industry

Castings and forgings, with 316 plants in operation, stands eleventh among the leading industries of Canada from the standpoint of gross value of production, according to a report issued by the Bureau of Statistics, covering the year 1924. In that year the capital invested in the industry totaled $87,851,647, while $20,597,505 was paid to 17,043 employees in the form of salaries and wages. The gross value of output amounted to $56,788,664, of which $21,892,943 represented the cost of materials.

BENNETT, HANNAH & SANFORD
Barristers, Solicitors, Etc.
Calgary, Alberta—Canada.
Hon. R. B. Bennett, P.C.K.C.
P. L. Sanford, B.A. A. Hannah,
O. H. E. Might, E. J. Chambers, LL.B.,
H. G. Nolan, M.C.M.A.

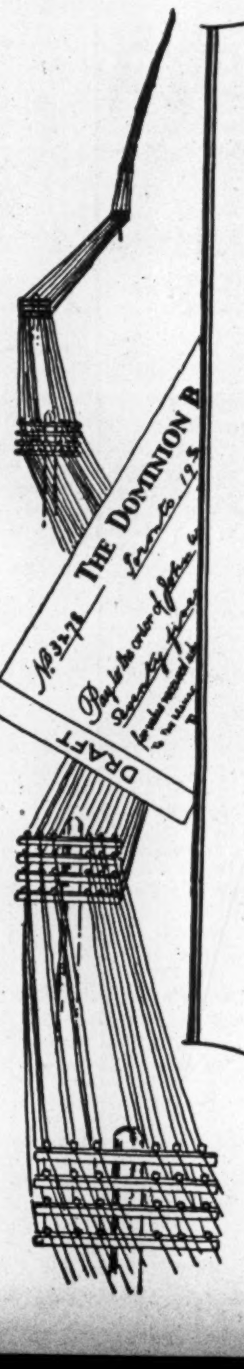
Grant Johnston & Co
MEMBERS
MONTREAL STOCK EXCHANGE
MONTREAL CURB MARKET
104 St FRANCOIS XAVIER St
MONTREAL
TELEPHONES MAIN 6184 & 6185

WHEN REMITTING SEND CANADIAN NATIONAL EXPRESS MONEY ORDERS

THE ROYAL TRUST Co
EXECUTORS AND TRUSTEES

Free Manual
Covers over 1,000 listed New York Stocks, giving high and low prices from 1906 to date, dividends, etc. Also gives high and low prices, New York Cotton, Chicago Grain. Send for your FREE copy today. Dept. M8.
H. C. SCHAUBLE & CO.
63-65 Wall Street New York

CLARKSON, GORDON & DILWORTH
CHARTERED ACCOUNTANTS
E. R. C. CLARKSON & SONS
Authorized Trustees and Receivers
15 WELLINGTON STREET WEST TORONTO
TORONTO MONTREAL



Remitting Money

We sell Drafts, Money Orders and Cable Remittances on all parts of the world.

Private wires between Toronto, Montreal and New York and strong connections in foreign countries enable us to quote lowest possible rates.

You are assured careful, quick and economical service on your transactions.

THE DOMINION BANK
Established 1871

Consult the Manager of our nearest Branch.

FOR WEST INDIAN BUSINESS

THROUGH the interest it holds in Barclays Bank (Dominion, Colonial and Overseas), formerly The Colonial Bank, the Bank of Montreal is able to offer its customers good service, favorable terms and facilities for obtaining accurate credit and other business information concerning individuals and concerns in the West Indies and British Guiana.

Head Office Montreal

BANK OF MONTREAL
Established 1817
Total Assets in excess of $750,000,000

The Weyburn Security Bank
Chartered by the Act of the Dominion Parliament
TWENTY-SIX BRANCHES IN SASKATCHEWAN
HEAD OFFICE WEYBURN, SASK.
DIRECTORS:—Alex. Simpson, Pres., Minneapolis, Minn.; Jos. Mergens, Vice-Pres., Weyburn, Sask.; J. A. McBride, Weyburn, Sask.; M. A. Miller, Weyburn, Sask.; S. E. Oscarson, Fargo, North Dakota; N. D. McKinnon, Weyburn, Sask.; H. O. Powell, Gen. Mgr., Weyburn, Sask.
A General Banking and Foreign Exchange Business Transacted.

A NEW SERVICE—
Let us put our MONTHLY REVIEW on your desk each month
The "Monthly Review" will bring you regularly a synopsis of conditions in Canada's basic industries.
Those interested are invited to send their names and addresses to any of our branches or to our General Office in Toronto, and the Monthly Review will be mailed to them free of any charge or obligation.
THE BANK OF NOVA SCOTIA
Established 1832.
Capital, $10,000,000. Reserve, $19,500,000.
Total Assets, $245,000,000.

ANGLIN-NORCROSS
(LIMITED)
Contracting Engineers and Builders
MONTREAL :: TORONTO

Member of F.T.D.A.
Dunlop's Limited
CHOICE FLOWERS
8 to 10 West Adelaide St.
TORONTO
"FLOWERS TELEGRAPHED ANYWHERE"

Serving a Vital Commercial Need, Honestly, Adequately and Economically
Bearing in mind that true credit is based on Character, Capacity, Capital.
The Mercantile Agency
R. G. DUN & CO.
17 Offices in Canada

CANADIAN BANK NOTE COMPANY LIMITED
Engravers and Printers
BANK NOTES AND CHEQUES
CORPORATION BONDS
STOCK CERTIFICATES
MUNICIPAL DEBENTURES
AND OTHER
MONETARY DOCUMENTS
Head Office and Works
224 Wellington Street, OTTAWA
Branches
MONTREAL TORONTO

FOR SALE
100 to 500 shares Preferred stock ($10.00 par value) of DOMINION ALLOY STEEL CORPORATION LTD. at $2.00 per share with bonus of 50% Common Stock, or 50 Common shares with every 100 Preferred. Apply P.O. Box 219, Montreal.

Plea on Coast Rates Move by U.S. Interests to Grab Orient Trade

Approval Would be Serious Blow to Canadian Flour Millers

APPLICATION OPPOSED

Canadian Millers Fight Scheme "To Give B.C. Cheap Chicken Feed"

Cheap chicken feed for the Fraser Valley poultry raisers and lower bread prices for Vancouver housekeepers are the arguments marshalled in support of the application for export rates to apply to domestic shipments of wheat from the Prairies to Vancouver, now under consideration by the Railway Board. Even a casual survey of the situation shows that there is more than this behind the move; in fact, approval of the application would mean the establishment of a huge flour milling industry in the Western American cities of Seattle, Spokane and Tacoma to compete with Canadian mills for the Oriental market. Chinese and Japanese buyers want Canadian hard wheat in their flour which the American mills are unable to supply owing to the high domestic freight rates in force in Canada and this has been the reason why Canadian millers are supplying most of the requirements of the Oriental market.

Under the present domestic rate structure, states C. Laferle, of the Canadian Miller's Association, shipments of wheat from prairie points to Vancouver, plus the charge of barging it down the coast from Vancouver to mills located at Seattle and other points, making it prohibitive for American millers to meet Canadian competition in the Orient. The domestic rate from Calgary to Vancouver for wheat is now 41½ cents per hundred pounds, as compared with an export rate of 21 cents, a favorable difference of about 20 cents. From Regina to Vancouver, the domestic rate is 51½ cents and export 26 cents. The all rail route from Calgary or Regina to Spokane is 41½ and 51½ cents, from which it will be seen that the Canadian millers are in a relatively stronger position to compete for the Eastern flour trade than their competitors across the line.

Americans Interested

The present situation is undoubtedly the outcome of certain overtures made by S. McClay, representing the Fraser River Elevators, about two years ago, when he made representations to the Board asking for an export rate on wheat moving from Prairie points to Vancouver. It was pointed out at the time that it was the intention of constructing a large elevator at Vancouver to handle wheat for the Orient. It was found impossible to interest Canadians in financing this project and in a letter to the secretary of the Board, dated September 15,1925, Mr. McClay admitted this fact and added that he had succeeded in interesting a very strong Pacific Coast American concern which would undertake to finance and operate the elevator. He says in his letter "the way seems to be entirely clear with the exception of two points which have to do with the movement of grain from this proposed elevator by Puget Sound, Columbia River and San Francisco port. First, for the purpose of flour manufactured in bond and second, lightering of grain in bond to complete cargoes of steamships operating to the Orient."

It is apparent from the foregoing that the interests back of Mr. McClay are endeavoring to secure a modification of the present rate structure so that they can go ahead with their plans. It is admitted in the foregoing letter, that the primary purpose of the proposed elevator is to send grain to Spokane, Seattle or Tacoma and there manufacture flour in bond in order to compete with Canadian millers in the Orient market.

Market Worth $10,000,000

The advantages accruing to the Fraser Valley poultry raisers and Vancouver housewives, if this application is approved, would mean a saving of about $4.10 a ton for poultry feed and a maximum of ½ cent. a loaf for bread. On the other hand, the loss to Canada in trade and to the Canadian millers in business would seriously affect the milling industry in the West. At the present time by far the major proportion of flour milled in Medicine Hat, Saskatoon and Calgary—the milling centres of Alberta and Saskatchewan—is exported to the Orient. This market is absolutely necessary in order to carry on present operations. In 1920, Canadian flour shipped to the Orient amounted to only 5,000 barrels; in 1926, over 1,500,000 barrels. In dollars and cents, this means a production value of approximately $10,000,000. And in order to supply cheap chicken feed and bread to a limited number of her citizens, the Province of British Columbia is willing to see Western Canada lose at least one-third of this business, through competition with American millers.

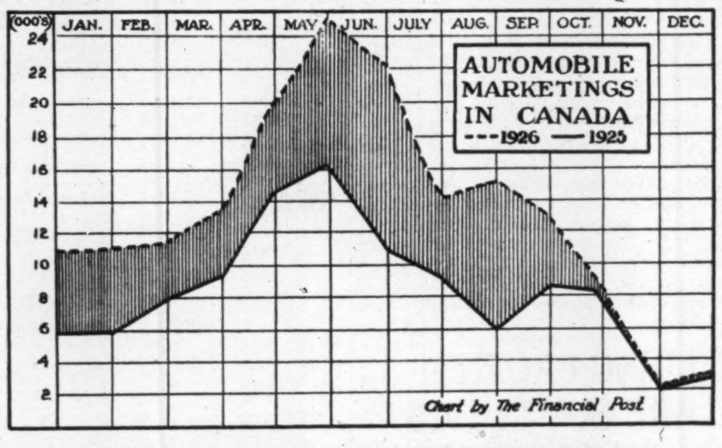
Approval of this application would mean the building up on the Pacific coast of the United States another milling centre like that at Buffalo. While Canadian exports of flour dropped from 11,000,000 barrels in 1924 to about 10,000,000 barrels in 1925, production of flour at Buffalo increased from 6.980,609 barrels to 9,458,142 barrels in the same period, largely as a result of milling Canadian wheat in bond. The question naturally arises as to why Canada should allow other countries to reap the advantages of the excellent milling qualities of Canadian hard wheat.

There is also the effect on railway earnings which this proposed reduction would impair, if adopted. Between 30,000,000 and 50,000,000 bushels of grains a year move from the Prairies to Vancouver for export and if the American millers were given certain advantages in freight rates which would make it profitable for them, to a large part of the grain for milling in bond, the loss to the railways alone would amount to several million dollars.

Home Mart Main Outlet for Canadian-Made Autos

Twice as Many Sold in Dominion as Were Exported in 1926 — One Car for Every 59 Persons — Domestic Demand to Set Output

A definite trend in marketing of Canadian-made automobiles has made its appearance in the past two years, which may in a short time have a marked influence in determining scale of production. The British preferential tariff was mainly responsible for bringing into being Canada's automobile industry; the domestic market was a secondary consideration. It was clearly shown that the advantages offered to American car producers under the Empire tariff were sufficient to merit the establishment of plants in the Dominion in order to secure the large and valuable outlet for their product in the British Dominions. The growth of the industry in the past decade has more than proven the wisdom of this policy.



A change of some importance has now taken place in marketing. Export demand no longer determines scale of production. The domestic market has expanded at such a rapid rate that during the past year, apparent consumption of motor vehicles was more than double exports to all countries. In the previous year export shipments amounted to approximately two-thirds of home consumption. The accompanying chart shows how demand in Canada has increased during the past year, as compared with the previous twelve months period.

Taking the population of Canada at 9,390,300 persons in 1926, and the output of cars at 205,116, it follows that manufacturers produced one new car for every 46 persons in the Dominion, while in 1925 the production equalled one car to 57 persons. By adding imports to production and deducting exports, it is apparent that domestic consumption of motor cars was 159,098, from which it is evident that for every 59 persons in Canada one new car was brought into use, while in 1925 the ratio was one new car to 90 people.

The reasons for bringing about this change were three in number, namely, increased buying power of the individual, deferred payment plan of purchase and lower price of popular models. As regards the first cause, the prosperous conditions existing in practically all of the major lines of industries during the past eighteen months has resulted in distribution of large sums of money in the form of purchases of raw materials, wages and salaries, dividends, freight, etc. This upward movement has been more marked in some provinces than in others, but on the whole, citizens all over the country are in a stronger financial position at present than since peak conditions during the war period. This is borne out by bank debits and other well-known indicators of buying power.

Next in importance to improvement in buying power, comes instalment buying, probably the greatest factor in bringing about heavier domestic consumption. This form of credit financing has grown remarkably in the past five years and in marketing or distribution of certain commodities plays a paramount part. In the automobile industry it is especially evident. Combined with the lower prices, instalment buying has been the means of opening up a wide market, hitherto undeveloped owing to the inability of the people in this marketing group to meet purchase payments required under the old system of credit financing.

It will be seen from the surface lines of the chart how consumption rapidly reached a peak during May and gradually fell off during the balance of the year. In each month, absorption of new cars in the domestic market was greater than in the preceding year. During the last two months of 1926, however, marketings were only slightly above the corresponding months of 1925. This has no apparent significance, being a seasonal decline occuring at that time. It is anticipated that the percentage of production marketed in the Dominion during the present year will be as great—if not more so—than in the year passed.

Powell River Investing in Graham Island Limit

Plans for a large industrial development by the Powell River Company on Graham Island involving the expenditure of at least $1,250,000, and designed to move out logs for the company's big mill at Powell River, are announced.

The Powell River Company will spend not less than $500,000 in creating a new port on Graham Island as an outlet for its new timber limits. This will be in addition to large railway construction on the island. Plans for a railway already have been completed and construction will be started at the earliest possible date. A standard gauge line will be built inland from the portsite at a cost of about $750,000, and logs thus brought out to tide water will be taken to Powell River for manufacture into paper.

A. M. Mahaffy Limited
Real Estate Auctioneers
Subdivisions, Tracts of Lots, Industrial Plants, Business Properties, Timber Limits, Mines, etc.
SOLD AT AUCTION
Office, 2 Court St., Toronto 2, Ont.

EXECUTORS, TRUSTEES, ADMINISTRATORS
Guardians, Transfer Agents, Bond Mortgage Trustees
Savings Department
Real Estate Department
CHARTERED TRUST & Executor Company
46 King St. W., Toronto

EVERY year Canada's foreign trade grows in volume. Canadian goods find their way to every port in the world, and goods from foreign shores are brought to Canadian markets.

The Imperial Bank maintains particularly close affiliations with recognized leading banks in all parts of the world. If you are buying or selling goods abroad, the Imperial Bank can guarantee you a valuable and dependable service.

Capital and Reserve $14,500,000.00
Total Assets $124,870,318.11

IMPERIAL BANK OF CANADA
PELEG HOWLAND, President.
SIR JAMES WOODS, Vice-President.
A. E. PHIPPS, General Manager
4R

Letters of Credit
WHEREVER business or pleasure may call you, a Letter of Credit will assure you of ready money without the necessity of your carrying cash from place to place.
OUR Letters of Credit are honoured in any part of the world. 33
THE CANADIAN BANK OF COMMERCE
Capital Paid Up $20,000,000
Reserve Fund $20,000,000

DOMINION TEXTILE CO., LIMITED
PRUE COTTONS
MANUFACTURING
ALL LINES OF WHITE AND GREY COTTONS, PRINTS, SHEETINGS, SHIRTINGS, PILLOW COTTONS, LONG CLOTHS, CAMBRICS, DUCKS, BAGS, TWILLS, DRILLS, QUILTS, BUREAU COVERS, TOWELS AND TOWELLING, YARNS, BLANKETS, RUGS, TWINES, NARROW FABRICS
AND NUMEROUS OTHER LINES USED BY MANUFACTURERS IN RUBBER AND OTHER TRADES.
MONTREAL TORONTO WINNIPEG VANCOUVER

NINETY-FIFTH ANNUAL REPORT OF The Bank of Nova Scotia

CAPITAL PAID-UP - - - - $10,000,000
RESERVE FUND AND UNDIVIDED PROFITS - - $20,158,887

PROFIT AND LOSS

Balance December 31st, 1925	$ 450,644 39
Net profits for year, losses by bad debts estimated and provided for	2,243,242 99
	$ 2,693,887 38
Dividends for year at 16%	$ 1,600,000 00
War Tax on circulation to December 31st, 1926	100,000 00
Contribution to Officers' Pension Fund	85,000 00
Written off Bank Premises Account	250,000 00
Balance carried forward December 31st, 1926	658,887 38
	$ 2,693,887 38

GENERAL STATEMENT AS AT DECEMBER 31st, 1926

LIABILITIES

Capital Stock paid in		$10,000,000 00	
Reserve Fund		19,500,000 00	
Balance of Profits, as per Profit and Loss Account		658,887 38	
Dividends declared and unpaid		402,476 00	
			$30,561,363 38
Notes of the Bank in circulation		14,981,152 95	
Deposits not bearing interest	$ 36,577,191 84		
Deposits bearing interest, including interest accrued to date	153,805,050 24	190,382,242 08	
		205,363,395 03	
Balances due to other Banks in Canada		1,868,971 73	
Balances due to Banks and Banking Correspondents in the United Kingdom and foreign countries		1,104,189 30	
Bills Payable		1,269,719 90	
			209,606,275 96
Letters of Credit outstanding			6,328,068 14
Other Liabilities, not included in the foregoing			225,876 89
			$246,721,584 37

ASSETS

Current Coin	$ 9,117,818 14
Dominion Notes	18,890,348 50
United States and other foreign currencies	1,750,775 78
Notes of other Banks	990,685 17
Cheques on other Banks	11,223,626 96
Balances due by Banks and Banking Correspondents elsewhere than in Canada	3,482,096 68
	45,455,351 23
Deposit in the Central Gold Reserves	6,000,000 00
Dominion and Provincial Government securities, not exceeding market value	31,463,978 32
Canadian municipal securities and British, Foreign and Colonial public securities other than Canadian, not exceeding market value	10,293,500 20
Railway and other bonds, debentures and stocks, not exceeding market value	12,491,890 15
Call and short (not exceeding thirty days) loans in Canada on stocks, debentures and bonds and other securities of a sufficient marketable value to cover	19,380,733 39
Call and short (not exceeding thirty days) loans elsewhere than in Canada on stocks, debentures and bonds and other securities of a sufficient marketable value to cover	11,308,375 41
	136,393,828 70
Other current loans and discounts in Canada (less rebate of interest) after making full provision for all bad and doubtful debts	75,944,208 49
Other current loans and discounts elsewhere than in Canada (less rebate of interest) after making full provision for all bad and doubtful debts	19,732,839 27
Liabilities of customers under Letters of Credit, as per contra	6,328,068 14
Non-current loans, estimated loss provided for	373,342 46
Bank Premises at not more than cost, less amounts written off	7,175,201 40
Real Estate other than Bank Premises	40,923 78
Deposit with the Minister of Finance for the purposes of the circulation fund	488,026 57
Other assets not included in the foregoing	245,145 56
	$246,721,584 37

G. S. CAMPBELL, President. J. A. McLEOD, General Manager.

Auditors' Report to the Shareholders:

We have examined the above General Statement of Liabilities and Assets as at December 31st, 1926, and compared it with the books at the Chief Office and with the certified returns from the Branches. The Bank's investments and cash on hand at the Chief Office and at the Toronto and Montreal Branches were verified by us at the close of business on December 31st, 1926. We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

We certify that in our opinion the above statement discloses the true condition of the Bank and is as shown by the books of the Bank.

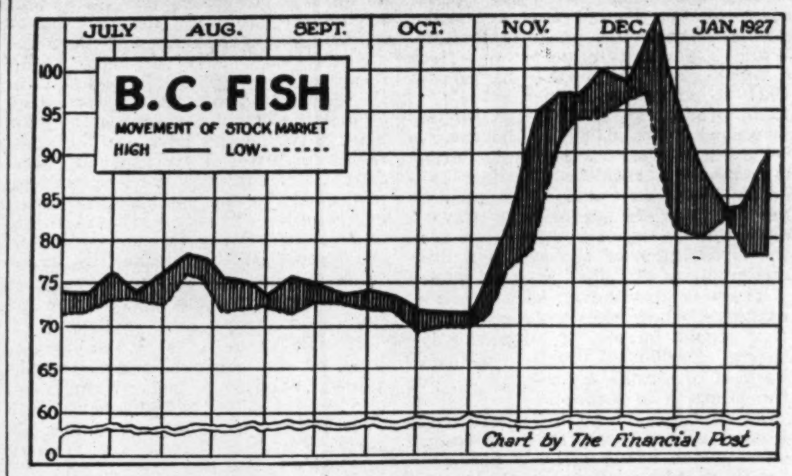
D. McK. McCLELLAND, F.C.A. of Price, Waterhouse & Co.
H. T. JAMIESON, F.C.A. of Riddell, Stead, Graham & Hutchison
} Auditors

Toronto, Canada, 15th January, 1927.

Dominion and Provincial
Government Bonds
Municipal Bonds
Public Utility
and
Industrial Financing
Foreign Issues quoted

DOMINION SECURITIES CORPORATION LIMITED
MONTREAL OFFICE 189 St. James Street
Established 1901
E. R. WOOD, President
LONDON, ENG., OFFICE No. 6 Austin Friars
Head Office: 26 King Street East
TORONTO 2

B.C. Fish Stock Movement Has Been Spectacular



Movement of this stock got the public into the market, with consequent losses when the big slump came after the price had touched 108½. There has been some buying in the later rise, presumably to average losses.

POWER CORPORATION
SYSTEM of HYDRO ELECTRIC PLANTS
Are dotted across Canada

Power Corporation of Canada, Limited
First Preferred

We recommend this security as a conservative investment combining safety with unusual diversification.

PRICE UPON APPLICATION.

We invite your inquiries for investment service.

NESBITT, THOMSON & COMPANY
LIMITED
Royal Bank Building, TORONTO, 2
Montreal Quebec Ottawa
Hamilton London, Ont. Winnipeg

383

Stock Market

CANADIAN STOCKS STRONG ALTHOUGH NEW YORK WEAK

Renewal of Boom in Quebec Mining Issues Again Has Been Postponed

MARKET INDICATOR

20 Industrial Stocks		
Week of Jan. 26	98.3	95.8
Week of Jan. 19	98.0	96.3
Month of Jan., 1926	83.1	76.0
9 Bank Stocks		
Week of Jan. 26	$242	$239
Week of Jan. 19	240	237
Month of Jan., 1926	232	228
10 Public Utilities		
Week of Jan. 26	102	100
Week of Jan. 19	102	100
Month of Jan. 1926	96	91

An impressive demonstration of the growing independence of the Canadian stock markets from Wall Street developed Wednesday, when both Montreal and Toronto were strong in the face of pronounced weakness which developed in New York in the latter part of the day.

Brazilian and B. C. Fish were two outstanding Canadian stocks which were more than ordinarily active. There was impressive buying of Brazilian on orders from New York which were believed to have been inspired by London. The stock ascended still further Wednesday after the publication of the opinion of a man on whose judgment the market relies. This opinion was that Brazilian would be selling above 200 within four years. The speculative element bought quickly on this news, calculating that there would be heavy buying by the investing public attracted to a stock with possibilities for a long haul.

Fish Moves Upward

The situation with regard to B. C. Fish was somewhat different. The upturn followed a meeting of the directors at which it was pretty definitely determined what the earnings are. The directors, of course, declined to state the amount until the balance sheet has been passed by the auditors but it was generally believed that there would be ample for a 7 per cent. dividend and leave something over. This started the stock back toward par. But it is anyone's guess as to whether it will reach par again. The public is inclined to be wary of a stock that has acted so erratically as B. C. Fish, but there are many who lost on the earlier transactions who are back in the market hoping to average their losses.

The announcement of a 12½ cents extra dividend on Imperial Oil has been pretty well discounted by the market in the last week or two and no great further upward movement is anticipated by most observers.

Other oil shares continued to attract some interest. B. A. Oil continues strong on the assumption that the dividend rate soon to be established on the new shares will warrant a good price on the new stock. There is a growing Canadian interest in some of the oil companies which have no direct interest in the Canadian field, marketing or otherwise. This interest, it is worthy of note, is becoming less and less applicable to other outside issues.

Liquor Stocks Quieter

There is not the same feverish interest in the liquor stocks that was evident a week or two ago. But these continue to interest the market and remain strong. Their upward trend has been retarded somewhat by profit taking. The breweries, while not attracting the attention of the distilleries, are favorably regarded and there is reason to believe that their earnings under the new law will be proportionately as substantial as the earnings of the distilleries.

It was a quiet week in the food issues. The steel group was not particularly active but remained strong.

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Banks	7	1	1	9
Paper	3	6	4	13
Steel	7	10	21	38
Foodstuffs	8	19	14	41
Utilities	12	3	14	29
Tractions	6	3	5	14
Textiles	6	4	6	16
Industrials	19	6	25	50
Total	68	52	90	210

DURANT DECIDES TO LOWER PRICES ON STAR AUTOS

(Continued from page 1)

be more extensively advertised than last season and the company anticipates that it will win a great popularity among motorists. It is asserted that the six has demonstrated its quality and reliability.

The highest spirit of confidence exists between the Canadian management and the management of the parent company, Durant of Delaware, of which W. C. Durant is president. The Canadian executives are permitted to function without interference from the other side of the line but the Canadian company at all times is able to take advantage of the close connection between the two.

11,000 Shareholders

There still are 11,000 individual shareholders of the Canadian company. While to all intents and purposes, Durant of Delaware with an ownership of 40 per cent. of the stock of the Canadian company can exercise control, the theoretical control continues in the hands of the Canadian investors who adopted the waiting policy and refrained from having their shares transferred to shares in the Durant Company of Delaware. It is definitely decided that no dividend will be paid on the Canadian shares this year. There is ample cash in the treasury for the purpose, but the directors have concluded that it is to the interest of the shareholders that the company build up a substantial reserve before there is a distribution of profits.

Durant of Canada is unique among automobile companies. also, in that many of its dealers also are shareholders.

MASSEY-HARRIS FEELS HOME COMPETITION

Profit Increase in 1926 is Not so Great as Addition to Production

The address of Thomas Bradshaw, general manager, at the annual general shareholders' meeting of Massey-Harris Co., held in Toronto Monday, revealed that sales of the company's products in 1926 were $25,250,000 greater than a year ago. This is an increase of 23 per cent. in one year and 58 per cent. above the figure for two years ago. Only one department reported net sales less than in the previous year.

Mr. Bradshaw attributed this improvement in the company's position to the higher buying power of the farmer in most other countries as well as in Canada. He stressed the fact, however, that foreign competition was making the domestic marketing conditions more strenuous year by year. Imports of farm implements last year were 59 per cent. greater than in 1925. While Massey-Harris profits increased 41½ per cent., the showing would have been better if it had not been for the severe competition, losses in foreign exchange, etc.

Compared to a profit increase of 41½ per cent. was a production increase of 63 per cent. In many departments two shifts were operated and new production records were attained. A two-storey addition was made to the Brantford plant, adding 15,000 square feet of floor space. A new storage warehouse also was built at Toronto. Besides this, about $200,000 was spent on new tools and equipment.

Foreign branches increased their profits by $106,000.

Except for the interest aroused by the address of Mr. Bradshaw and other executives, the meeting was largely routine. There is no change in the directorate. The balance sheet was published previously.

Hugo Stinnes Corp. Retires Big Block of Issue

A new record is believed to have been set with the announcement that the Hugo Stinnes Corporation is retiring an additional $110,000 of its 7 per cent. notes, thereby bringing the total of Stinnes securities to be immediately retired to $1,610,000.

The notes which are to be retired now, added to the $750,000 which were to be retired last month, brings the total to be retired to $860,000, or almost 7 per cent. of the original issue of $12,500,000. This percentage is believed to set a new mark for the proportion of an issue retired within less than three months after the time it was originally offered, the notes having been offered the public on November 4, 1926.

Joins Exchange

MONTREAL. — Raymond Allan, of Greenshields & Co., has been elected a member of the Montreal Stock Exchange.

STERLING APPRAISAL COMPANY
LIMITED
9-11 E. Wellington St., TORONTO
Sterling Security Reports are prepared by Registered Professional Engineers

FISH IS REPORTED TO HAVE EARNED $550,000 IN YEAR

Stock Jumps in Price Following Meeting of Directors

Stock market circles are discussing more definite reports as to the earnings of British Columbia Fishing & Packing than heretofore have been circulated. From a number of sources more or less trustworthy, it is stated that the net for 1926 will be shown at $550,000.

This is far from the $20 net which previously had been rumored. It was this rumor, probably, on which speculators acted and which sent the stock to a record high of 108½. This price was maintained only momentarily and the recessions, and consequent losses to buyers, were rapid and disheartening.

Talk of Stock Split

B.C. Fish began to rise in price again this week following the return of President Aemilius Jarvis from Europe and following a meeting of the directors. After the meeting, Mr. Jarvis issued a formal statement in which he espoused the proposal, first mooted in The Financial Post last November, for a split in the stock into preferred and common. Pending action in this regard by the shareholders, the directors declared the usual quarterly dividend of 1¼ per cent.

The proposal regarding the split in the stock, as originally suggested, was that for each share of the existing stock there be issued one share of preferred of $50 par value and two shares of common of no-par value. The hope was held out that the company even in lean years would be able to earn its dividend on the preferred and that the other stock would be highly regarded for its speculative merit because the earnings of the company, by reason of the nature of the business, necessarily must fluctuate widely.

Report Out Next Month

The exact position of the company will be known, it is expected, about February 15th.

Assuming that net earnings of $550,000 is approximately accurate, the earnings per share of outstanding stock will be $10.50, compared with $8.25 the previous year. However, on this basis, the actual improvement would be greater than the apparent improvement, for there are 6,000 additional shares outstanding than at the end of the previous fiscal year.

HUDSON'S BAY COMPANY NOT TO INVADE EAST; NO STORE FOR TORONTO

(Continued from page 1)

bought their supplies. The Winnipeg stores of the Hudson's Bay Company grew out of that old trading post and the other stores across the prairies developed in the same way. We have just completed a $5,000,000 building in Winnipeg. That and our new $5,000,000 building in Vancouver are the high spots in our development programme, which is being centred in the four western provinces. Our chief interest now is to get these big new stores going."

Mr. Allan did not give any information as to future developments in store construction, stating that it was not the policy of the company to discuss tentative plans. It confined itself to definite announcements when decisions had been made. He pointed out that it was in August 1925 that the city council agreed to build the new Mall, which was a prime consideration in the location and erection of the new store in Winnipeg. By evening of the day the city had finally completed its agreement, the first sod was turned for the building and the building was opened a week before Christmas in 1926, sixteen months later. "That is the way we do things," said Mr. Allan. "We do not make an announcement until we are ready to set the machinery in motion to turn promises into results."

Promote Immigration to Canada

Mr. Allan was asked for some information as to the operations of the Hudson Bay Overseas Settlement Company, which was recently formed to promote overseas migration to Canada. "The purpose of this company is not to make money for the Hudson's Bay Company," said Mr. Allan. "It is not a profit making institution at all. It will do all in its power to promote the migration of citizens from the British Isles to Canada and the Hudson's Bay Company hopes to benefit from its activities in the increased wealth that will come to Western Canada through new capital and new people.

"Nor is it the purpose of the settlement company to promote the sale of Hudson's Bay Company lands. We have less than 4,000,000 acres left which could be quickly disposed of if we wished. It is purely an organization to promote the interests of Western Canada and, as Western Canada is our field, anything that helps Western Canada helps us."

Millions For Canada

There is no likelihood of the Hudson's Bay Company making any early issue of securities in Canada or listing its securities on Canadian exchanges. "If anything like that were ever done it would be for good will purposes only," Mr. Allan said. "There is no difficulty in raising capital in the Old Country." He referred to the issue during the past year, of over 1,000,000 new shares of the company stock at £3 10s. for 500,000 shares and £4 10s. for the balance. That represented the equivalent of about $18,000,000 in Canadian money. The shares were now selling at over £5 in London. This British money was being used in the expansion of Canadian business.

Mr. Allan has been ill for some time, and had been undergoing treatment in an American specialized hospital. His return to Canada this week gave him an opportunity of denying, through The Financial Post, the recent rumors concerning his company.

BELDING PROFITS ARE CUT IN 1926 BY COMPETITION

Inventories Also Occasion Book Loss But Predict This Year Will be Better

Keen competition reduced net profits of Belding-Corticelli, Ltd., to $118,686 in 1926, compared with $215,500 in 1925 and $130,503 in 1924. The report forwarded to shareholders thus reveals net profits available for common shareholders as 6.8 per cent., compared with 20.6 per cent. in 1925 and 9.3 per cent. in 1924.

But the financial position of the company is unimpaired and A. O. Dawson, the president, said in his address that this year should prove more satisfactory from the viewpoint of the company. One of the prime causes of reduced profits was that there was a steady reduction in the cost of raw materials during the year just closed, with the result that inventories, at replacement value, occasioned considerable loss.

The profit-and-loss balance carried forward from 1926 is $371,210, or about $13,000 more than the corresponding item the previous year. But where $200,022 appeared in 1925 as written off an account of goodwill, nothing was written off on this account in the year just closed.

The profit and loss figures compare as follows:

	1926	1925	1924
Profits	$248,930	$345,853	$254,771
Deduct:			
Sinking fund	$ 14,790	$ 14,790	$ 14,790
Depreciation	67,004	66,707	62,407
Debenture int.	36,980	36,980	36,980
Insur. reserve	11,469	11,784	10,000
Total	$130,244	$130,263	$124,178
Net profits	$118,686	$215,590	$130,593
Pref. dividend	60,571	60,571	60,571
Balance	58,115	155,018	70,022
Com. dividends	44,970	37,475	29,980
Balance	$ 13,145	$117,543	$ 40,041
*Add tax res.	......	......	56,109
Balance	$ 13,145	$117,543	$ 96,150
†Trans. reserve	......	78,643	....
Balance	$ 13,145	$196,186	$ 96,150
Prev. balance	358,065	361,898	514,077
Total	$371,210	$558,084	$610,227
‡Write off	......	200,022	248,328
P. & L. bal.	$371,210	$358,065	$361,898
P.C. on com.	6.8	20.6	9.3

*—Written back.
†—Replacement.
‡—Written off goodwill account.

The working capital position compares as follows:

	1926	1925	1924
Curr. assets	$1,320,793	$1,347,319	$1,151,172
Curr. liabs.	241,096	256,718	161,505
Work capital	$1,079,697	$1,090,601	$ 989,667

Fidelity Fire Company Increases Its Business

The fifth annual report of the Fidelity Insurance Co. of Canada shows a satisfactory increase in the year's business. Net premiums written amounted to $135,760, as against $120,908 in 1925. The sum of $41,369 was paid out in losses, and total expenses (including losses) were $135,581. The company increased its premium reserves by $2,006 and its claims reserve by $12,626. Assets amount to $427,350.

BUFFALO QUOTATIONS

Bonds	Bid	Asked
Bfo-Ft Erie Bdge 7s '55	107	108½
Do 8s '45	106½	108
Buff Gen Elec 1st 5s '39	103	...
Do pref 5s '39	103	...
Bfo N & E Pow 5s '30	99	100¾
Lockport L H & P 5½, '54	102	104
Niag Falls Pow pref 6s '32	105	106
Do 1st & con 6s 1950	104¼	106¼
STOCKS		
Buff Niag & E Pow	28	29
Do pf.	25½	26
Niagara Falls Pow pf	28	29
Niag Lock & Ont pf	112½	114

D. J. McDougald J. B. McArthur
Government, Municipal and Corporation
BONDS
D. J. McDougald & Co.
Trusts and Guarantee Bldg.,
302 BAY STREET. ELGIN 2278
The Partners Personally Advise as to Investments.

GLASS of all descriptions
All kinds of flat glass available
For immediate delivery and in large quantities.
Case goods, fancy glass, wire inlaid, leaded, plain, striped or prismatic, colored, church glass, etc.
Also sole manufacturers
NON-SHATTERABLE.—PERFECT VISION.—BULLET PROOF GLASS
PERFECTION GLASS COMPANY
LIMITED
Executive Offices 201 Inspector St.
MONTREAL
Factory Atlantic Ave. and Hutchinson St.

Satisfaction and Security

EVERY policyholder of the North American Life Assurance Company is, in a very personal way, interested in its progress and stability.

There's a feeling of complete security in knowing that the future of one's dependents is provided for and that the carrying out of one's plans is in the hands of a Company whose year by year record shows steady advancement along sound lines.

The excellent results achieved by the North American Life during 1926 are proven by the substantial gains shown in the following figures and should be a source of continued confidence to all interested in the Company.

POLICIES ISSUED AND REVIVED $ 32,540,819
AMOUNT OF INSURANCE IN FORCE 152,682,243
ASSETS 32,293,780
PAYMENTS TO POLICYHOLDERS 2,566,664
SURPLUS 5,738,854

These records are a clear indication of the solid financial position of the Company. The continued progress shown points the way to an even more successful year in 1927. In the North American Life, policyholders' interests are the first consideration, over 99½% of the profits earned being allotted to them. For 1927 still higher dividends have been announced.

Just now, with the New Year in its infancy, is an opportune time to take stock of your insurance requirements and plan for increased security for your home and family. Investigate more fully the advantages which the North American Life offers, by using the attached coupon.

NORTH AMERICAN LIFE ASSURANCE COMPANY

North American Life Solid Continent

Head Office: Toronto, Ont.

Please mail me your complete Report for 1926, also "Solid as the Continent" Booklet.
NAME
ADDRESS

(77)

Stock Market Record

WEEK ENDING JANUARY 25

	Div. Rate	Yield Jan. 24	High for wk.	Low for wk.	Close Jan. 25	Close Jan. 18	Sales for wk.	Range, 1926-7 High	Range, 1926-7 Low
Banks—									
Commerce	12+1	5.31	248	243	244	244	276	248	214
Dominion	12+1	5.64	230	225	230	225	130	230	207
Can. Nationale	10	6.06	165	165	165	161½	19	170	157
Imperial	12+1	5.90	222	218	219	220	198	222	200
Montreal	12+2	4.74	295	290	292½	292	331	295	251
Nova Scotia	16	5.20	310	306	307	306	59	310	281
Royal	12+2	5.29	264½	260½	264½	260½	301	270	248
Standard	12	5.82	207	206	206½	205	93	207	189½
Toronto	12	5.04	238	236	238	236¾	32	238½	213
Paper—									
Abitibi, com. (no par)	5	5.84	86¼	85	86	86½	1959	98	70¼
Do. pref.	7	6.08	..	...	...	...	...	116	106¾
Belgo-Can., pref.	7	6.86	102½	102	102	102	84	102½	95¾
Brompton (no par)	50c	5.71	35	33	34	33½	2681	38¼	26
Laurentide	6	5.76	106½	101¾	104	106	5639	118¼	81½
Price Bros., com.	2	3.22	63	61¾	61¾	61¾	35	76¾	57
Do. pref.	6½	6.37	102	101½	102	101	170	103½	95
Prov. Paper, com.	6+1	5.78	121	120	121	115	105	121	100
Do. pref.	7	6.60	106	106	106	107	17	107	100
Smith, Howard, com.	.	...	61½	60½	60½	61½	430	67	38
Do. pref.	8	7.72	104	103½	104	104	41	106	92¾
Span. River, com.	7	6.91	101½	100½	101	101½	938	114¾	96½
Do. pref.	7	6.08	115¼	114	114½	114½	329	120	108
Wayagamack	$3	5.71	52½	52	52	52½	88	59½	52
Steel and Steel Industries—									
B.E. Steel, com.	.	....	1	1	1	¾	50	3½	¼
Do. 1st pref.	.	...	18	17	18	18	110	30	9
Do. 2nd pref.	.	...	2¾	2¾	2¾	2¾	220	10¾	1
Can. Car & Found., com.	.	...	50	47¾	47¾	50¼	380	50¼	33
Do. pref.	7	7.69	92½	90½	90½	92	1487	92½	73
Can. Fairbanks, pref.	.	...	..	...	...	...	...	80	60
Can. Forgings, com.	.	...	..	...	...	...	...	17	8
Do. pref.	.	...	..	...	...	...	...	70	41½
C.G.E., com. (par $50)	.	...	..	...	...	...	...	53	47
Do. pref. (par $50)	7	5.98	58½	57½	58	57½	417	60	53½
Can. Locomotive, com.	.	...	40	40	40	42	5	42	35
Do. pref.	7	8.04	87	85¾	87	85½	58	89½	73
Canada Iron, com.	.	...	..	...	...	...	...	12	9
Do. pref.	.	...	..	...	...	...	...	44	39
Dominion Coal	.	...	75	72½	75	75	30	75	40
Dominion Iron, pref.	.	...	..	...	...	...	...	24¾	5
Dominion Bridge	4+2	5.08	118½	118	118⅝	118½	310	122¾	80
Dom. Radiator, pref.	7	6.93	..	...	...	...	...	103½	100¼
Dom. Steel Corp., pref.	.	...	22½	22½	22½	22¾	11	26	10⅝
Ford Motor	10	...	..	...	...	...	...	622	500
Gould Pumps, pref.	7	7.00	..	...	...	...	...	100¼	100
Kelvinator, com. (no par)	.	...	11	11	11	12	25	24¼	9⅞
Do. pref.	7	7.86	89½	89	89	88½	46	95¾	88
McKin. Ind., c. (no par)	.	...	..	...	...	...	...	31½	15
Do. pref.	7	7.44	94	93¼	93½	93¼	105	97½	87
Massey-Harris, com.	.	...	70¼	68	68½	68½	1028	73	40
Do. pref.	7	6.63	105½	105	105⅝	103½	197	105½	93
Ontario Steel, com.	4+1	6.53	76½	76½	76½	77½	10	78½	60
Do. pref.	7	6.84	..	...	...	...	...	103	98
Page Hersey, c. (no par)	$3	5.26	57⅛	56	57	57	235	59½	43
Do. pref.	7	6.00	118	116	116	118	65	120	100½
Pressed Metals, com.	.	...	..	...	...	...	...	40	30
Do. pref.	.	...	..	...	...	...	...	85	85
Russell Motor, com.	1¼	6.12	..	...	...	...	...	50	39
Do. pref.	7	7.77	90⅛	90⅛	90⅛	91	10	93	76
Sawyer-Massey, pref.	.	...	..	...	...	...	...	13	5
Steel of Canada, com.	7	5.80	121	119¼	121	120	985	121	95⅛
Do. pref.	7	5.38	132	130	130	131	175	132	114
Milling and Foodstuffs—									
Arnolds, com. (no par)	.	...	18½	18	18½	19	19	26⅝	18
Do. pref.	7	7.95	..	...	...	...	...	92	83
Atlantic Sugar, com.	.	...	29¾	27¾	28	29¾	1096	32⅞	22
Do. pref.	.	...	91	90	90	90	75	93	75
B.C. Fishing	5	5.95	89¾	73	86	75¼	17289	108½	57¼
Can. Bak., com. (no par)	.	...	30	30	30	33	45	37¾	26¼
Do. pref.	7	7.07	99	99	99	99	5	100	92
Can. Bread, com. (no par)	$2.50	2.76	90½	90½	90½	92	30	95	53
Do. pref. (A)	7	6.36	..	...	...	...	...	112	105
Do. pref. (B)	7	6.73	104	104	104	104	37	108	96¼
Can. Canners, com.	.	...	29	25½	25½	30	645	30	12
Do. pref.	4	5.00	80	79	79½	79	1271	80	60
Canadian Salt	8	6.06	132	125	125	128½	71	145	123
Christie Brown (no par)	30c	3.00	..	...	...	...	...	6[illegible]½	31
City Dairy, c. (par $25)	12+1	4.70	86	85	85	86	596	87½	65½
Do. pref.	7	6.25	114	112	114	114	35	116	107
Cuban Can. Sugar, com.	.	...	3½	3	3½	4	51	6	3
Do. pref.	.	...	30	30	30	30¼	90	37	21
Wm. Davies (A) (no par)	.	...	27¾	27	27	27¾	40	37¼	27
Do. (B) (no par)	.	...	..	...	...	...	...	12	9
Dominion Stores (no par)	$2.40	3.63	66½	66	66½	67	210	70¼	56
Hamilton Dairies, com.	.	...	24¾	24	24¾	24	25	24¾	21¾
Do. pref.	.	...	96	96	96	...	5	96	96
Inter. Milling, pref.	7	6.60	106	106	106	106	55	106	98½
Lake of Woods, com.	12	7.50	160	160	160	152	5	175	139
Do. pref.	7	6.00	116½	116½	116½	116¼	20	118	115
Loblaw, com.	$1	2.00	50	50	50	50	40	55	29¾
Do. pref.	7	6.54	107	107	107	108	6	108	100½
Maple Leaf Mill, com.	.	...	..	...	...	...	...	88	50⅛
Do. pref.	7	6.66	99½	99	99½	100	34	102	90
Ogilvie Flour, com.	5	2.40	208	208	208	205¼	25	208	165½
Do. pref.	7	5.73	..	...	...	...	...	125	117
Pure Gold Mfg. (no par)	50c	...	20	19¼	20	19½	50	23½	17½
Shred. Wh. (no par)	$3	5.31	56½	56	56	56¼	136	59	47½
St. Law. Flour, com.	.	...	30	30	30	30	20	45	26
Do. pref.	7	8.33	..	...	...	...	...	84	79¼
Viau Biscuits, com.	.	...	23	23	23	25	10	28	18
Do. pref.	7	8.04	86	86	86	87	25	89½	85
Western Groc., c. (no par)	.	...	23	23	23	27	24	34½	23
Do. pref.	7	8.97	78	75	78	75	25	80	62
West. Can. Fl., c. (no par)	$1.40	5.83	24	23	23½	24	35	25	18
Do. pref.	6½	6.50	101	100	100	103	13	103	97¾
Utilities—									
Bell Telephone	8	5.73	140	138⅞	140	139½	855	142½	136
Calgary Power	.	...	..	...	...	...	...	52½	47
Cedar Rapids	3	...	..	...	...	...	...	50	40
Consumers Gas	10	5.81	173	171½	173	173	149	183⅞	170
Inter. Util. (A) (no par)	87½	...	29⅜	29⅜	29⅜	28	100	38½	28
East Koot. Power	.	...	..	...	...	...	...	33	25
Jamaica Pub. Ser., pref.	7	7.14	98	97½	98	97	48	99½	96
Laurentide Power	5	4.16	..	...	...	...	...	130	100
Mackay, com.	7	5.73	123	119	122	120	413	138½	119
Do. pref.	4	5.63	72	71	71¾	71	246	73½	68¾
Mexican Light, com.	.	...	31	31	31	31	125	33	27
Do. pref.	.	...	77¼	77¼	77¼	78	10	86	64
Mont. L H & Pr. (no par)	$2	2.76	73	68¼	71½	68¾	16827	75	59
Montreal Teleg. (par $40)	8	6.55	50	49¼	50	50	71	51½	47
Nor. Mexico Pr., com.	1	...	42	42	42	45	70	55	40
Do. pref.	7	8.14	86	86	86	83	20	86	80
Ottawa & Hull Pr., com.	.	...	..	...	...	...	...	30¾	25
Do. pref.	7	7.21	..	...	...	...	...	97	97
Ottawa L. H. & Pr., com.	6	5.94	..	...	...	...	...	101	92
Do. pref.	6½	6.31	103	103	103	103	5	105½	100
Quebec Power, com.	6	2.96	205	196½	202	196⅞	4289	205	118
Do. pref.	7	3.57	..	...	...	...	...	200	109½
Shawinigan	8	2.97	270¼	265	268½	266	1117	275½	167½
South. Can. Pr., com.	2	2.24	89¼	89	89	89	132	98	81
Do. pref.	6	5.95	100⅞	100¼	100⅞	100	41	104½	99
Transportation—									
Can. Pacific Rly.	10	5.91	169½	168	169	167½	201	169½	147
Can. Steamships, com.	.	...	38	37	37	37¾	765	39¼	29½
Do. pref.	.	...	86	83	84	84	2754	86	75
Do. voting	.	...	35	35	35	34½	200	35	11
Tractions—									
Barcelona (par $50)	.	...	37½	37	37	38	225	40½	26
Brazilian, com.	6	5.31	113⅛	106½	111¼	106¼	96999	123½	80
Do. pref.	6	6.13	106	105½	106	105	155	108	97½
Detroit Un. Rly.	.	...	2	2	2	2½	85	3½	1
Duluth-Superior	.	...	27	27	27	27	40	33¼	25
Illinois Traction, pref.	6	6.00	..	...	...	...	...	100½	96¼
Montreal Trams	10	5.74	175	174	174	171½	454	190	159
Ottawa Traction	4+1	7.46	68	68	68	67	10	74¼	60
Porto Rico Rlys., com.	1	6.63	61	60	60¼	60¼	85	61	40
Do. pref.	7	7.60	92	92	92	90¾	10	94⅛	85½
Twin City, com.	5	7.81	65	62¾	64¾	64¾	548	79½	58
Do. pref.	7	6.93	..	...	...	...	...	103	101
Winnipeg Elec., com.	1	6.15	65¼	64½	64¾	65	3499	66½	45
Do. pref.	7	6.79	103	102½	102½	102	132	104	95
Textiles—									
Can. Conn. Cotton, pref.	4	10.00	40	40	40	37	10	49	35
Can. Converters	7	6.86	102	101¾	102	101	140	104	90
Can. Cotton, com.	8	6.55	125	120	125	120	120	125	113
Do. pref.	6	6.00	100	99½	100	99	160	100	92½
Can. Woollens, com.	.	...	10	8	8	9	59	10	4
Do. pref.	.	...	60¼	60	60	60	75	60¼	45
Cosmos Imp., com.	.	....	15	15	15	15	35	16½	14
Do. pref.	7	7.52	93	92	93	93	46	93½	92
Dom. Textile, com.	5	4.71	108	106	106	108	340	109	89
Do. pref.	7	5.83	120½	120½	120½	120	3	122	115
Monarch Knitting, pref.	.	...	54	52	54	60	18	60	30
Montreal Cottons, com.	6	5.45	..	...	...	...	...	115½	102
Do. pref.	7	6.06	..	...	...	...	...	115½	110
Penmans, com.	8	4.27	187	185	187	182¼	100	191	173
Do. pref.	6	5.91	..	...	...	...	...	104½	100¼
Wabasso Cotton	4+50c	4.12	109½	109	109½	110	10	110½	60
General Industrials—									
Amer. Sales, c. (par $20)	4	5.79	70¼	69	70	69	126	72½	54
Do. pref.	7	7.14	98	98	98	98	25	98	92
Asbestos Corp., com.	.	...	24¾	23¼	23¾	23¼	3752	25¾	16½
Do. pref.	7	8.16	85¾	83	85¼	83	1691	87	62
Building Products, pref.	7	7.48	..	...	...	...	...	94	83
Brant. Cd. pf. (par $25)	8	8.69	23⅜	22½	23¼	22½	361	27½	21
Burt, F. N., com.	12	5.08	59	58	58½	59	304	67½	50
Do. pref.	7	3.33	..	...	...	...	...	210⅛	210⅛
Canada Cement, com.	6	4.56	133½	131	131	131	2992	135⅞	98
Do. pref.	7	5.88	120½	119	120½	119¼	50	120½	113
Dom. Rubber, pref.	7	8.75	..	...	...	...	...	87½	80
C. Ind. Alc. (no par)	$1.28+20	5.56	23	22	22¼	22⅛	6736	34⅞	16¼
Canadian Oil, com.	5	4.01	125	120	124½	105	105	125	65
Do. pref.	8	6.78	118	117	118	117	23	120	113
Crow's Nest Coal	6	9.09	66	66	66	66½	30	85	51
Dom. Glass, com.	7	6.54	107½	106	107	108	500	108	81
Do. pref.	7	6.25	114½	112	114	112	21	113	103
East Theat. c. (par $25)	.	...	30	27	30	27	154	30	18¾
Do. pref.	7	7.44	..	...	...	...	...	95	83
Famous Players, com.	.	...	22	20	22	20	65	22	11
Do. pref.	8	8.00	101	96	99½	95½	124	101	88
Gilman, com.	6	4.91	..	...	...	...	...	127½	104½
Do. pref.	7	5.38	..	...	...	...	...	131	118½
Goodyear Tire, pref.	7+3½	7.17	97½	95½	97½	97½	47	99¼	85
Holt Renfrew, com.	.	...	..	...	...	...	...	50	26
Do. pref.	7	7.77	..	...	...	...	...	92	84½
King Ed. Hotel	.	...	27	27	27	25	110	27	20
Lyall Construction	.	...	36	36	36	36	50	48	20
Loew's, com.	.	...	..	...	...	...	...	40	36
Do. pref.	7	6.86	..	...	...	...	...	102	90
Nat. Brew., c. (par $25)	4	6.06	66½	65	65¾	65½	2092	72	56
Do. pref.	7	6.36	110	110	110	109	105	110	101¾

	Div. Rate	Yield Jan. 24	High for wk.	Low for wk.	Close Jan. 25	Close Jan. 18	Sales for wk.	Range, 1926-7 High	Range, 1926-7 Low
National Brick, com.	.	...	10	8	10	8	70	12½	8
Do. pref.	7	10.76	65	65	65	63	5	72	60
Pacific Burt, com.	6	6.78	88½	88	88½	88½	35	110	38
Do. pref.	7	6.48	108	108	108	107	6	110	102
Port Hope Sanitary, com.	3	2.30	..	...	...	...	...	130	74½
Do. pref.	7	6.66	105	105	105	90	8	106	90
Rogers, Wm., com.	.	...	..	...	...	...	...	70	45
Do. pref.	7	7.21	97	97	97	94½	2	100	90
Sher.-Williams, com.	6	4.19	143½	143	143	143	20	148½	125
Do. pref.	7	5.83	120½	120	120	120½	56	120½	110½
Sterling Coal	4	11.11	36	36	36	36	10	43	36
Tooke Bros., com.	.	...	..	...	...	...	...	8	8
Do. pref.	.	...	83	82	82	83	53	84½	56
Tuckett Tobacco, com.	4	5.71	70	70	70	70	5	73	58
Do. pref.	7	6.66	105	105	105	105	65	105¾	100
Woods Mfg., com.	.	...	45	45	45	45	60	48	38
Do. pref.	7	7.86	..	...	...	...	...	90	77¾
Standard Chem., pref.	.	...	..	...	...	...	...	9	9
Trust and Loan—									
Central Canada	12+8	...	..	...	...	...	...	210	210
Can. Landed (par $50)	10+1	5.85	94	94	94	94	2	100	90
Can. Permanent	12	5.45	220	218	220	218	20	221	202¼
Colonial Invest.	6	...	6⅝	6⅝	6⅝	7	4	7	4
Huron & Erie	7+½	5.39	139	139	139	137½	2	139	127½
Landed Banking	9	5.59	..	...	...	...	...	161	150
Montreal Loan (par $50)	12+1	6.50	..	...	...	...	...	50⅛	50
National Trust	12	5.17	232	232	232	255	9	255	232
Do. Rights	.	...	25	24	24	24	300	25	20½
Ontario Loan (par $50)	11	4.78	115	113	113	111	200	115	103½
Real Estate Loan	7	7.36	..	...	...	...	...	95	83
Toronto Gen. Trusts	12	5.33	225	225	225	220	14	225	220
Toronto Mtge. (par $50)	10+1	5.44	..	...	...	...	...	101	93½
Union Trust	7	6.73	104	104	104	103	2	105	98

CURB AND UNLISTED MARKETS

	Div. Rate	Yield Jan. 24	High for wk.	Low for wk.	Close Jan. 25	Close Jan. 18	Sales for wk.	Range, 1926-7 High	Range, 1926-7 Low
Anticosti, pref.	.	...	98¾	98¾	98¾	...	10	98¾	98¾
Andes Pete	.	...	..	...	...	...	...	6⅝	6⅝
Attendu Engine (par $1)	.	...	29	15	18	29	4300	43¾	7
Beacon Oil	.	...	19½	18⅝	18⅝	19	2115	21	14¾
Belding, com.	6	6.81	..	...	...	...	...	88	75
Do. pref.	7	6.86	..	...	...	...	...	102½	92½
Brit. Am. Oil (par $25)	10+50c	2.97	85	80½	84½	82	1000	86	47
Do., new	.	...	21⅝	20	21¼	20¼	5216	22	20
Brew. & Distil. (par $5)	.	...	5	4⅝	4¾	4¾	1305	5¼	4¼
Can. Nor. Pr., c. (no par)	.	...	52	50	50	51	19	52	28
Do. pref.	7	7.10	99	98½	98¾	99	85	99¼	89¼
Cockshutt, pref.	4	5.33	75	74½	75	75	55	83⅞	57¾
Continental Oil	$1	...	..	...	...	...	...	26	17⅞
Cosgrave Brew. (par $10)	5	6.66	7¾	7⅝	7½	7½	1435	9	5
Cooksville Shale Brick, c.	.	...	..	...	...	...	...	10⅜	10⅜
Do. pref.	1	...	..	...	...	...	...	50½	50½
Dom. Engineering	$3	2.22	135	135	135	140	45	150	65
Dom. Power, pref.	7	...	..	...	...	...	...	101¼	101¼
Dryden Power (no par)	.	...	15½	11⅝	15	12	1565	15½	5½
Can. Brewing	.	...	30¼	30	30	...	7990	30¼	30
Eastern Dairies (no par)	.	...	21¼	20	21¼	21	20	21¼	15½
East. Engineering	.	...	..	...	...	...	...	2½	1
Eng. Elec., com. (no par)	.	...	..	...	...	...	...	24½	15
Do. pref.	.	...	..	...	...	...	...	75	59½
Fraser, pref.	7	...	..	...	...	...	...	94½	94½
Good. & Worts (no par)	$1	2.17	46½	43	46½	44	2618	48½	27¼
Hiram Walker	.	...	32⅝	31¾	32⅝	32	9130	34⅛	28½
Illinois Power, pref.	7	7.07	99	98	99	98	80	100	95
Imperial Oil	$1.25	2.95	42¾	39⅞	41	40	16825	42¾	32½
Inter. Petroleum	75c	2.27	34	32¾	33½	33⅝	2745	35½	29½
Imp. Tobacco, c. (par $5)	6	...	..	...	...	...	...	7⅛	6⅞
Manitoba Power (no par)	.	...	57	57	57	57	15	58½	24
McColl, com.	80c	3.48	23½	23	23	24¼	80	25	18⅞
Do. pref.	7	6.89	101½	101	101½	100½	41	101½	95
Newsprint Corp.	.	...	..	...	...	...	...	27	18
North Star Oil, com.	.	...	..	...	...	...	...	1.30	.75
Do. pref.	7	....	5.00	5.00	5.00	5.00	4.90	1.00	4.50
N.S. Car, com.	.	...	23	20½	20½	20½	150	23	7½
Ott. Mtl. Pr. c. (no par)	.	...	20	20	20	19½	10	20	18
Do. pref.	7	7.21	..	...	...	...	...	48½	48
Ottawa Riv. Pr. (no par)	.	....	26	26	26	26	255	26	25
Paton Mfg., com. (no par)	.	...	56	56	56	54	25	56	50
Do. pref.	.	...	99	99	99	99	25	100	75
Power Corp., c. (no par)	.	...	28¾	28	28½	28½	648	29¼	22
Do. pref.	6	6.25	96	96	96	96	97	96	92
Port Alfred, pref.	7	7.29	..	...	...	...	...	96	96
Que. Sou. Pr. (no par)	.	...	..	...	...	...	...	25	25
St. Maur. Valley, pref.	7	7.33	95½	95½	95½	95	75	95⅝	95
Seagram (no par)	.	...	17	16¼	16½	16⅞	6232	18	14¼
Simpson, Robt., pref.	6	6.03	..	...	...	...	...	102	99
Sovereign Secs. (par $5)	.	...	..	...	...	...	...	2.10	1.50
St. Law. Pap., c. (no par)	.	...	51	50	50	51	465	60½	35
Do. pref.	8	7.44	..	...	...	...	...	109½	103¾
St. Maurice Power	.	...	96	96	96	96	63	101	72½
St. Maurice Valley	.	...	52	50	50	53	1465	65	40
Toronto R. S.	.	....	1.50	1.50	1.50	1.95	5.00	1.95	1.10
United Secs., com.	.	...	50	50	50	51	1	65	50
Do. pref.	6	5.76	104⅛	104⅛	104⅛	104¼	1	106	102
Volcanic Oil	63c	...	39	38	38	38	80	39	26
Venezuelan Pete. (par $5)	.	...	..	...	...	...	...	7⅛	7⅛

MINING STOCK QUOTATIONS

Week Ending January 25

	Par Val., $	Div. Rate	Yield	High for wk.	Low for wk.	Close Jan. 25	Sales for wk.	Range, 1925 High	Range, 1925 Low	Range, 1926-7 High	Range, 1926-7 Low
Aconda	.	...	...	40	30	30	53725	..	..	45	34
Amulet	1	...	...	1.86	1.50	1.60	183380	1.50	.85	2.98	.90
Algonquin	1	...	...	3	3	3	1500	3	1	6¼	1¼
Apex	1	...	...	2½	2½	2½	1500	3¾	2	6	2½
Area	1	...	...	82	58	59½	611440	..	..	1.95	.21
Argo. Con.	1	...	...	51	44	44	175100	48	11	67	18½
Atlas	1	...	...	3	2¾	3	17000	5¼	¼	5	1⅝
Abana	.	...	...	25	20	20	2500	..	..	25	20
Amos	.	...	...	56	41	41	19500	..	..	56	40
Baldwin	1	...	...	3½	3	3⅝	70000	7	1⅞	6⅞	1
Barry Holl.	1	...	...	93	87	89	146400	.50	.18	1.00	.22
Beaver	1	...	...	73	59½	66	30800	57	25	99	51
Bellellen L.	1	...	...	19	17	19	6000	..	..	23½	17
Bidgood	1	...	...	9	5¾	6	15200	16¼	4¼	9⅝	4½
Boston Creek	1	...	...	½	½	½	4500	9½	4½	7½	½
Bourlamaque	.	...	...	1.49	1.46	1.40	46000	..	..	1.50	1.02
Buckingham	1	...	...	9	7¾	8½	79800	5¾	2¼	9½	2
Capitol R.	.	...	...	42	38	38	10500	..	..	54½	31
Can. Lorrain	1	...	...	60½	56	59¼	34650	80	22	93	51
Capitol	1	...	...	28	26	27	49400	38	24	48½	24
Castle Tre.	1	...	...	1.08	1.03	1.01	92150	1.60	.71	1.85	.91
Chaput H.	1	...	...	7	5	5	30900	10	4	22	3⅛
Clifton	1	...	...	2	1	1½	6500	26	2	6½	1
Coniagas	5	...	...	4.00	3.90	4.00	650	5.00	1.25	4.80	3.00
Coniaurum	5	...	...	3.40	3.00	3.40	1075	4.00	1.00	4.45	3.00
Col. Kirk.	1	...	...	2½	2	2¼	104100	10½	2	25	2
Cons. Smelter	25	10	4.11	250	243	243	3869	183½	48½	265	177½
C. W. Dome	1	...	...	15½	13¾	14½	231916	25	10½	29½	13¾
Crown Res.	1	...	...	9½	8½	9	47500	55	15	25¼	8
Corona	1	...	...	31	21	26½	191550	..	..	37½	20
Destor	.	...	...	42	49	42	15600	..	..	42	40
Boischatel	.	...	...	23	18½	21¾	211800	..	..	27	19½
Davidson	1	...	...	....	..	..	....	5	1¼	3	1½
Dome Mines	None	2.00	20.83	10.25	9.50	9.60	3395	18.00	12.90	20.00	8.00
Don Rouyn	1	...	...	52	41	47	123250	..	..	61	25
Duprat	1	...	...	28	21	24	483400	..	..	35½	10
Fiske	.	...	...	16	14	14	2700	..	..	30½	12
Everett	1	...	...	5	4¼	4¼	16500	10	4	12¼	3¾
Goldale	1	...	...	27	24	25¾	53950	37	14¾	43	24
Gold Hill	1	...	...	48	43½	43½	57937	..	..	73½	25
Gold Reef.	1	...	...	1½	1½	1½	2000	2½	1	5	1
Grover Daly	.	...	...	27	20¾	24	334450	..	..	37	20¾
Hill Top	1	...	...	21½	18	20	16300	..	..	31¾	18
Hollinger	5	26	6.34	20.50	20.10	20.50	7000	17.50	13.30	21.00	16.65
Howey G.	.	...	...	53	51	51	23510	..	..	53	51
Indian	1	...	...	5½	5½	5½	500	17¾	3½	14½	3¾
Int. Nickel, c.	None	2.00	5.00	41¼	40	40	9654	48⅝	24¼	46	33
Jay Copper	.	...	...	1.09	1.04	1.09	12000	..	..	1.15	.73
Keeley	1	24	15.80	1.53	1.50	1.52	19870	2.32	1.40	1.91	1.39
Keora Mines	1	...	...	9⅞	7	8½	37900	15⅞	8½	22	7
Kirk. Hunt.	1	...	...	32¾	27	28	168550	..	..	35	8½
Kirk Lake	1	...	...	93	85	88	121420	.92½	.33	1.44	.69
Lake Shore	1	40	2.24	19.00	17.60	17.85	62985	10.00	4.51	19.00	9.60
Lakeside	1	...	...	4¾	4	4¼	84100	15¾	2½	10	1⅛
Laval	1	...	...	40½	33	36	524050	..	..	55	21
La Rose	1	...	...	10	8½	9	2800	53	7½	39	4
Lorrain	1	...	...	3¼	2⅝	2⅝	19500	24	7	15	2
Lorrain T. L.	1	...	...	....	..	..	....	1.34	.85	1.10	.30
Marclay	1	...	...	38	36½	37¾	17600	..	..	38	30
Macassa	1	...	...	35	30¼	31	23150	..	..	43	25
McKinley	1	...	...	15	13	13	25050	42½	14½	26	8½
McIntyre	5	20	3.88	26.00	25.50	25.75	6215	22.70	16.00	29.75	22.70
Millcrest	1	...	...	6	5	5	15000	..	..	21	8½
Mining Corp.	5	12½	...	3.27	3.15	3.27	8762	3.40	2.35	4.45	2.60
Moneta	1	...	...	14	12	14	12000	18¼	12½	18	11
Montreal Rouyn	1	...	...	30	25	25	6900	..	..	60	13
Noranda	None	...	...	21.90	21.25	21.25	89643	15.50	9.10	24.25	12.00
Newray	1	...	...	30	30	30	600	44	17	45	30
Night Hawk	1	...	...	5½	4½	5	43500	49½	6	17	3¾
Nipissing	5	12	6.25	10.25	8.55	9.60	66690	6.80	4.60	10.25	5.00
Ophir	1	...	...	...	..	..	....	7⅞	3	4¼	1
N. Amer. Lead	.	...	...	1.86	1.78	1.84	25925	..	..	1.86	1.50
Pete Lake	1	...	...	...	..	..	....	11¼	2¼	10¼	1⅜
P. L. Cobalt	1	...	...	14	9¾	9¾	52100	..	..	32	9¾
Porc. Crown	1	...	...	10	6½	9	64310	8	2	12	4
Pioneer	1	...	...	1.15	1.09	1.15	19850	..	..	1.22	.66
Premier Gold	1	32	16.84	1.90	1.86	1.90	5350	2.58	2.19	2.75	1.83
Preston	1	...	...	5½	5	5	10000	12	6½	92	4
Osisko	.	...	...	1.40	.95	.90	21400	..	..	1.94	.90
Rouyn	.	...	...	5	3¾	4	103100	10	3	9	1⅞
Rouyn, Que.	.	...	...	4	3½	3½	14200	..	..	4½	1¾
Siscoe	.	...	...	14	14	14	1000	..	..	15	12
South Keora	1	...	...	42¼	39½	42	58150	26	20	42¼	5
Stadacona	1	...	...	54	49¾	51	83150	..	..	55	40
Teck Hughes	1	10	...	6.60	6.00	6.02	104873	3.00	1.23	6.80	2.64
Timiskaming	1	...	...	...	..	..	....	30	11½	15¼	5½
Thomp. Krist	1	...	...	...	..	..	....	3	1	3½	1
Tough Oakes	1	...	...	62	58	58	168800	61	25	65½	36
Towagamac	1	...	...	4.90	3.80	4.20	16573	..	..	6.10	3.15
Do., Rts.	.	...	...	19	15	16	8087	..	..	19	15
Vic. Silver	1	...	...	7	5	6¾	85000	31	5	9⅛	3⅛
Vickers	1	...	...	1.32	1.30	1.32	33550	.20½	.8	1.32	.13
Vipond	1	...	...	1.65	1.59	1.65	37925	1.61	1.01	2.08	1.49
Sylyanite	.	...	...	3.10	2.60	3.10	1300	..	..	3.10	2.60
Wakenda	1	...	...	...	..	..	....	3½	1	2¾	1
Wasapika	1	...	...	2	2	2	21500	3⅝	1	4	1
West Tree	1	...	...	3⅞	3½	3½	500	5	2	4	2
Wettlaufer	1	...	...	2	2	2	2000	17	3½	10	2
Wright Har.	1	37½	3.84	10.05	9.70	9.75	57600	7.95	4.15	10.05	7.75

A. L. KOYL & COMPANY
General Financial Agents
SASKATOON
First Mortgage Investments, Property Management

ALCO-METER SERVICE
tells you exactly how much
MAPLE LEAF ANTI-FREEZE
you require in the radiator of your car, truck or tractor, to keep it from freezing.
Sold at all leading garages, service and filling stations.
CANADIAN INDUSTRIAL ALCOHOL CO., LIMITED
Distributing Warehouses
Montreal, Toronto, Winnipeg, Vancouver

A. J. Pattison, Jr. & Co.
MEMBERS
Toronto Stock Exchange
Montreal Stock Exchange
Montreal Curb Market
Specialists Unlisted Bonds and Stocks
219 Bay Street, (Ground Floor) Toronto Elgin: 5101-5102-5103 5104-5105-5106

Manufacturers have long known this---
That to reach the French-speaking portion of Quebec — 85% of its population — La Presse is necessary.
This industrious, thrifty and shrewd body of people can be reached by the financial advertiser in the same way.
La Presse has more **quantity** and **quality** circulation in Montreal and Quebec than all other French dailies combined.
LA PRESSE
CANADA'S LARGEST DAILY NEWSPAPER MONTREAL
Toronto Branch, Metropolitan Bldg: Ad. 0959. S. L. REES, Mgr.

ANNOUNCEMENT

Announcement is made of the formation of the Firm of

W. H. de Udy & Company Limited

who have taken over the Stock Department of the Toronto Bond Exchange Limited.

Offices will be located at

300 Bay Street, Toronto

where board room and ticker service will be maintained.

—ELGIN 2819—

TORONTO,
JANUARY, 1927

Atlantic Sugar Refineries
LIMITED
Lantic Sugar
General Offices
211 McGILL STREET
MONTREAL
Refineries - St. John, N.B.

LAKE OF THE WOODS MILLING CO. LTD
Makers of FIVE ROSES FLOUR
Mills at Montreal, Brantford, Keewatin, Portage la Prairie, Medicine Hat
CAPACITY, 20,000 BARRELS DAILY
President and Managing Director: FRANK S. MEIGHEN, C.M.G.
Vice-President & Gen'l. Manager: WM. W. HUTCHISON.
Directors:
R.M. BALLANTYNE, TANCREDE BIENVENU, HON. SIR LOMER GOUIN, K.C.M.G. GEO. V. HASTINGS, WALTER MOLSON, R. W. REFORD, ABNER KINGMAN, J. K. L. ROSS; N. J. BREEN.
Secretary, M. H. HUTCHISON; Treasurer, T. F. McNALLY; Asst. Treasurer, A. C. McMILLAN.

Pulp & Paper

Canada Leads World in Newsprint Output 1,882,000 Tons in 1926

This Was 195,000 Tons Over U.S. Production in Year

Head of Service Bureau Gives Facts on Growth in Production and Consumption of Paper

By R. S. KELLOGG,
Secretary, Newsprint Service Bureau.

The year 1926 definitely gave Canada world leadership in newsprint manufacture and still further accentuated the United States as by far the greatest user of that article. With a total North American production of 3,768,000 tons, Canada furnished 1,882,000 tons, an increase of 24 per cent. over 1925 and surpassing by 195,000 tons the output in the United States. But while this was going on, the production of the United States mills was 1.687,000 tons and greater by 156,000 tons or 10 per cent. than the previous high record of 1925, while there was a gain of 93 per cent. in Newfoundland as new operations got into full swing in that country and brought the total up to 186,000 tons. Even the production of 13,000 tons of news print in Mexico was 6 per cent. over the previous year. The total North American production of news print in 1926 was 600,000 tons or 19 per cent. ahead of 1925 and was made possible by the high operating record of 96 per cent. of rated capacity.

European Imports Decline

News print available for consumption in the United States in 1926 was, in round numbers, 3,500,000 tons or 18 per cent. over 1925 and 56 per cent. of the world consumption of this commodity. Into this total went all but 19,000 tons of the United States production 49 per cent. of the Newfoundland production, 88 per cent. of the Canadian production and 102,000 tons of overseas news print. However, importations of European news print which began in 1920 and reached 200,000 tons in 1923, have been steadily declining since that year and will probably go still lower in 1927.

Probably not far from 100,000 tons of the available supply of news print in the United States in 1926 went into stock so that the actual consumption was around 3,400,000 tons or at the rate of 58 pounds per capita compared with 52 pounds in 1925. This was an increase of 12 per cent. in per capita consumption and 14 per cent. in total consumption. or twice the average increase during the past 25 years. Such use of news print last year was the climax of steadily increasing sizes and circulations of daily and Sunday newspapers. The growth in size is due to the increased volume of advertising which in 1926 surpassed the previous record by five per cent. and to the addition of many special features and special sections to suit the varied taste of the reading multitudes. Growth in circulation is the result of vigorous extension campaigns on the part of publishers, of improved mail facilities and of the steadily growing number of people who naturally buy one or more newspapers daily.

Increase Not To Be As Great

Circulation of the English language newspapers in the United States now totals 36 million copies of the daily issues and exceeds 24 million copies on Sundays. During the past year, the circulation of the daily papers increased nearly 7 per cent. and that of the Sunday papers almost 5 per cent. In 1926. the newspapers in the class of 100,000 circulation and over, averaged 31 pages daily and 111 pages on Sunday compared with 23 pages daily and 79 pages Sundays in 1920. It is, of course, not reasonable to expect a long continuation of such rapid increases.

From the beginning of 1919 to the end of 1926 additions to the news print manufacturing industry in North America totaled 64 machines with a rated capacity of 4,800 tons. Of these 5 machines were installed in Newfoundland. 11 in the United States and 48 in Canada. Counting in the installations now nearing completion, the North American news print machines, by the middle of the present year. will have a daily capacity of 15.000 tons. Over a long period of time the industry has produced at an average of about 90 per cent. of rated capacity. On this basis if all the present machines stay on news print. there will be a continental production capacity somewhat in excess of four million tons per year by the third quarter of 1927.

Belgo Preferred Shares Arouse Greater Interest

From Our Own Correspondent.

MONTREAL.—The preferred shares of the Belgo-Canadian Paper Company have been in some demand and have changed hands at over 102.

The reason for the interest in the stock lies in the fact that with the general buoyancy of the market it is becoming harder and harder to obtain sound stocks with anything like a satisfactory yield. At 102½ the shares yield the investor 6 84 per cent.; a yield materially higher than many other stocks which are. perhaps. not in quite such a strong position as Belgo preferred.

The preferred dividends of the Belgo are an underlying obligation of the St. Maurice Valley Corporation and in one way underlie the parent company's bond issue. which, while it is secured by a mortgage on the Three River's plant, is also secured by practically all the common shares of the Belgo-Canadian Paper Company.

Significant?

MONTREAL. — Among the new appointments to the board of the Canadian International Paper Company are Sir Lomer Gouin, J. W. McConnell and G. H. Montgomery. These are all members of the board of the Laurentide Company. Due to the interlocking directorate there are many who feel that eventually the association between Laurentide and International Paper will in all probability be much closer in the future than it is at present.

C.I.P. COMPANY ADDS CANADIANS TO DIRECTORATE

International Paper Subsidiary Now Has Large Canadian Connections

From Our Own Correspondent.

MONTREAL. — The Canadian International Paper Company, the subsidiary of the International Paper Company has elected a new board of directors composed for the most part of prominent Canadians. Those elected are as follows:

Hon. R. B. Bennett, K.C., Calgary; Hon. Raoul Dandurand, K.C., P.C., LL.D., Montreal; V. M. Drury. Montreal; Gordon C. Edwards, M.P., Ottawa; J. H. Fortier. Quebec; Hon. Sir Lomer Gouin, K.C.M.G., LL D., Montreal. A. R. Graustein, New York; Neil C. Head, New York; John R. Macomber, Boston; George H. Montgomery, K.C., Montreal; J. M. McCarthy. Quebec; J. W. McConnell, Montreal; H. C. Phipps, New York; Hon. Donat Raymond. Montreal; T. A. Russell. Toronto; F. N. Southam, Montreal; Hon. Smeaton White, Montreal; Brig.-General J. B. White, D.S.O., Montreal; A. H. Wiggin, New York; and E. R. Wood, Toronto.

Extent of Company

The Canadian International Paper Company was formed in 1916 and has experienced rapid growth. Upon its formation it took over most of the properties in the province of Quebec which are controlled by the parent organization and, in 1919, began the construction of its first mill at Three Rivers; the latter doubled its capacity in 1926 and now produces 700 tons of newsprint daily—the largest newsprint mill in the world. Upon the completion of its newsprint mill on the Gatineau, the company will have a daily capacity of some 1,300 tons of newsprint in Canada.

Other properties owned by the Canadian International Paper Company include the Kipawa and Hawkesbury mills, which were formerly owned by the Riordon Company. These mills produce daily a total of 400 tons of bleached sulphite pulp. Thus the company is the largest producer of bleached sulphite in the Dominion.

Own 10,000,000 Acres

These plants draw their raw material from more than 10,000,000 acres of Quebec timber limits—an acreage sufficient to ensure the permanency of the mills. Timber reserves of this size are necessary, because the four mills of the company, when operating at capacity, consume over 750,000 cords a year—a quantity of wood equal to the entire consumption of pulpwood in Quebec in 1915.

The properties, which with their working capital represent an investment of over $100,000,000, have been financed practically entirely by the International Paper Company, so that to-day the subsidiary has no bank loans and less than $3,000,000 of funded debt, consisting of first mortgage debentures on the Hawkesbury property and various other small liens on some of the timber properties. The three big mills, Kipawa, Gatineau, and Three Rivers, are clear of mortgages.

Bell and Barnjum Still Competing

From Our Own Correspondent.

MONTREAL.—An interesting situation has developed in the Nova Scotian pulp and paper field, for it is understood that Ralph P. Bell is asking for certain concessions from the town of Liverpool, N. S., for a newsprint mill which he proposes to erect there. A short time ago, Mr. Bell received certain assessment concessions from the town on condition that he erect the mill within a specified time.

At the same time, F. J. D. Barnjum is understood to be continuing his negotiations leading to the establishment of another newsprint mill at Liverpool.

It will be recalled that F. J. D. Barnjum was largely responsible for the promulgation of a great amount of pulpwood embargo propaganda a year or so ago, and that Ralph P. Bell, the actuating force behind the Canadian Pplpwood Association, was the chief antagonist of any such legislative restrictions. By his campaigning he was perhaps largely responsible for the small consideration given to the suggestion of Mr. Barnjum.

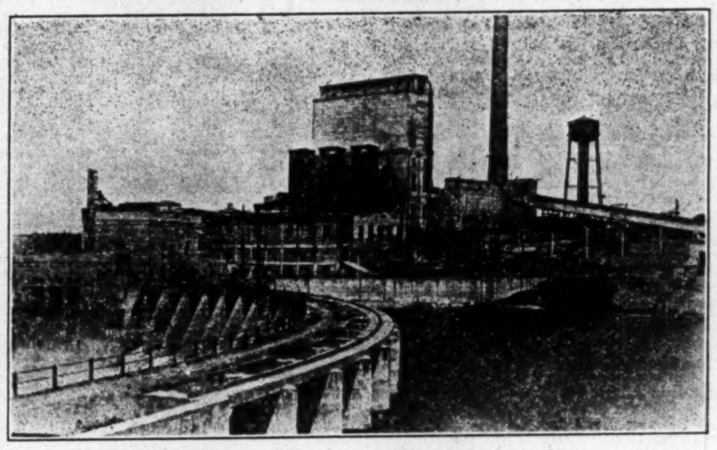
About eighteen months ago, Mr. Barnjum was elected to the Nova Scotia legislature, but later resigned as he had failed to carry out an election promise regarding the construction of a paper mill in Nova Scotia.

There is much interest in the race to establish mills between these two staunch supporters of opposing schools of thought.

Straw Paper Plans Plant

MONTREAL.—The plans of the Straw Paper Company of Canada called for the erection of a $200,000 plant which will have an initial capacity of 20 tons per day. Recently the company offered $300,000 preferred shares.

TAKEN OVER BY ABITIBI PAPER



Plant of Mattagami Company at Smooth Rock Falls, Ont.

Mattagami Financing Arranged by Abitibi

From Our Own Correspondent.

MONTREAL.—Shortly after February 10, the date set by the courts for the completion of the sale of the Mattagami Pulp and Paper Company, to the Abitibi Power and Paper Company, the debenture stockholders of the former will receive a distribution for their holdings on the basis of $1,150.33 for each $1,000 debenture. Thus, the holders of the debenture stock will receive par plus 15 per cent. in lieu of all their claims. This will be the final distribution to the debenture holders. The debenture stock was a 7 per cent. issue and has been in arrears since 1921 when the company went into the hands of the receiver. Several plans for re-organization were formulated, but the property was finally bought in by the debenture holders and sold to Abitibi. The latter bought the property for cash.

It is understood that the Abitibi Power and Paper Company has applied for a charter for a new company which will operate under a different name and which will acquire the Mattagami property. The new company will be entirely owned by Abitibi but the sale will, it is understood, be financed in part by an issue of bonds and an issue of debentures on the property.

The bonds which the old company had outstanding totalled $3,935,000 and the debentures $1,759,846.

Dryden Has Plan

MONTREAL. — The shares of the Dryden Paper Company have reached new high levels this week. It is rumored that a plan may be submitted to the bondholders which would wipe out the arrears of interest by the distribution of new common stock in the company. If such a plan should prove acceptable to the bondholders it would mean that the company would pass out of the receivers' hands. Earnings are said to be running at about $25,000 or $30,000 monthly.

CAP MAGDALEN SELLS

First Mortgage Holders Meet to Authorize Transfer of Property

MONTREAL.—The holders of the first mortgage, 7 per cent. sinking fund, twenty- year bonds of the Cap Magdalen Pulp and Lumber Company meet on February 28 next when they will be asked to authorize the trustee for the bondholders to sell the property.

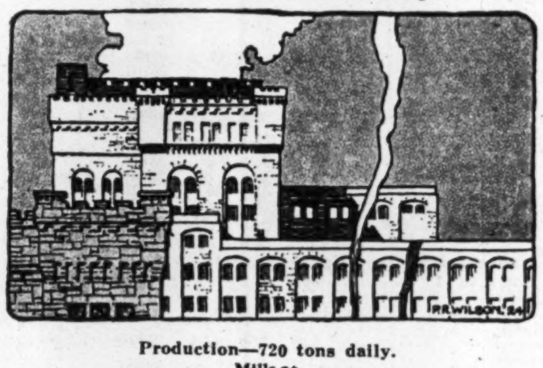
Prior to its re-organization, the Cap Magdalen Pulp and Lumber Company was called the Great Eastern Pulp and Lumber Company. It operates in the Gaspe Peninsula, in Quebec, and produces some pulp. New interests desire to acquire the property and the timber limits, and, it is understood, they would undertake further developments.

BRITISH AMERICAN BANK NOTE COMPANY LIMITED
Steel Plate Engraving and Printing, Lithographing, etc.
Producers of
Bank Notes, Bonds, Municipal Debentures, Stock Certificates, Interim Receipts, Cheques and all Documents of a Monetary Nature
Branch 11 Place d'Armes MONTREAL — Head Office OTTAWA Canada — Branch 1112 Bank of Hamilton Bldg TORONTO

Canadian Paperboard Company Limited
Largest Manufacturers of Paperboard in Canada
Mills at Montreal, P.Q., Campbellford, Ont., Frankford, Ont.
HEAD OFFICE: 2 Seigneurs Street MONTREAL

Investment Securities
Newman, Sweezey & Co.
LIMITED
136 St. James Street Montreal

The Spanish River Pulp and Paper Mills Ltd.
SAULT STE. MARIE, CANADA
Manufacturers of News Print Paper



Production—720 tons daily.
Mills at
Sault Ste. Marie, Espanola, and Sturgeon Falls, Ont.

PORT ALFRED PULP & PAPER CORPORATION
Newsprint and Sulphite Pulp
HEAD OFFICE:
CANADA CEMENT COMPANY BUILDING
MONTREAL, P.Q.
Mills at PORT ALFRED, P.Q.

Abitibi Power & Paper Company
Limited
NEWSPRINT
Head Office: Montreal Mills: Iroquois Falls, Ont.

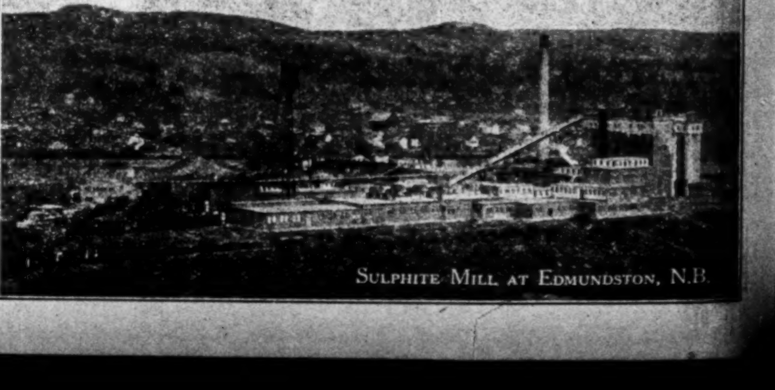
Annual Capacity: 150,000 Tons of Groundwood Pulp. Mills at Chicoutimi and Val Jalbert, P.Q.
Quebec Pulp and Paper Mills
Limited
Executive Office: CHICOUTIMI, P.Q. — Cable Address: "SAGUENAY, CHICOUTIMI"

The Laurentide Company
Limited
Manufacturers of
Ground Wood - Sulphite Pulp
Wood Boards and Newsprint Paper
GRAND'MERE - QUEBEC

St. Maurice Valley Corporation
Successors to
Belgo-Canadian Paper Company, Limited, Shawinigan Falls, P.Q.
St. Maurice Paper Company, Limited, Three Rivers, P.Q.
Yearly Output—195,000 Tons Newsprint
Head Office:
MONTREAL-QUEBEC

DOMINION BRIDGE CO.
LIMITED
Montreal, P. Q.
ENGINEERS, MANUFACTURERS and ERECTORS of STEEL STRUCTURES
HEAD OFFICE AND WORKS: Lachine Locks, P.Q. — BRANCH OFFICE AND WORKS: Toronto, Ottawa and Winnipeg.
P.O. Address, Montreal, P.Q.
Sales Offices: Montreal, Ottawa, Toronto, Winnipeg, Regina, Edmonton, Vancouver.

FRASER COMPANIES LIMITED
EDMUNDSTON, N.B.
Lumber :-: Bleached Sulphite Pulp :-: Fine Papers



SULPHITE MILL AT EDMUNDSTON, N.B.

Insurance

(See also page 14).

TORONTO CASUALTY PRUNES STATEMENT

Writes Assets Down to Bone, and Prepares to go After Bigger Business

The annual report of the Toronto Casualty Fire and Marine Insurance Co., presented to the shareholders this week, is indicative of the unsettled situation which existed during 1926 in the field of fire and automobile underwriting. Although the total amount of business written by this company during the year shows a substantial increase over 1925, the company were forced to meet heavy losses in the field of automobile insurance. The premiums from this department show a reduction of nearly $150,000 below 1925. The company is one of the Canadian companies which continues to increase its volume of business year by year, in spite of the fact that the volume of business transacted by purely Canadian companies has dropped from 18 per cent. in 1916 to 4 per cent. in 1926.

In commenting on the automobile business of the company, A. E. Dawson. general manager, states that this field of activity is still very unsettled, but that the sale of the company's unlimited auto policies is proving a promising solution of the situation. In the company's balance sheet the automobile reserves are decreased by approximately $100,000, the previous reserve proving insufficient to cover the year's losses because of the inadequate premium rates upon which the reserves were based.

In the fire insurance field the results are more encouraging, and the company continues a steady development. Fire premiums in Canada in 1926 amounted to $169,296, as compared with $106,687 the previous year; in addition to this there is a total of $39,000,000 of foreign business and $53,000,000 in premiums retro-ceded from reinsurers, making a total fire premium during 1926 of $261,000, as compared with a total of $117,220 in 1925. The company's fire reserves have been increased by over $65,000. The fact that the heavy claim payments shown in the accounts are entirely attributable to claims which occurred prior to 1926, has led the company to set up a special reserve for unreported claims, amounting to $20,000,000.

The company increased its capital during the year by $100,000, through the action of the Torcas Associate Companies in paying that amount on its shares. In spite of this addition to capital, the company's balance sheet, which showed a shareholders' surplus in 1925 of $36,577 after allowing for capital stock liability of $169,555, this year shows only a policyholders' surplus of $210,939, and the capital stock liability of $269,735 has not been included in the balance sheet. Generally, the effect is that of an impairment of about $59,000 in capital.

Mr. Dawson indicates that the pruning operations are now complete and that the balance sheet shows the company's position stripped to the bone of doubtful assets, and with liabilities adequately provided for.

	1926	1925
Net premium income	$881,763	$709,702
Investment income	16,293	16,332
Total	$898,056	$726,034
Expenditures:		
Claims, etc.	539,629	229,042
Commissions	209,186	148,625
Other expenses	156,346	166,848
Total	$905,161	$544,515

Excelsior Life Business in Force $69,500,000

Another Canadian life insurance company to present a new record of accomplishment for 1926, is the Excelsior Life Company, which held its annual meeting this week.

The amount of new business, issued, and revived, $16,814,386.25, is an increase of 15 per cent. over that of 1925. This increase compares very favorably with the combined average rate of increase for all the companies throughout Canada, which was 11 per cent. for 1926. Insurance now in force amounts to $69,491,590.00 Total income, including premiums, interest and rents, increased by $262,128.99, making the revenue for the year nearly $3,000,000. A reduction in the expense rate as compared with any previous year was shown.

Payments to policy holders amounted to $962,644.17 and included $339,465.23 for death claims; $245,459.27 for matured investment and endowment policies and $377,719.67 profits to policyholders, surrender values, etc. The mortality experience was exceptionally favorable, and although higher than in 1925, due to an unusually large number of claims resulting from accidental deaths, was still well below that expected. The assets total $12,299,960.67 and include over $5,000,000 of bonds, debentures and preferred stocks. The company's surplus funds, exclusive of special reserve funds, now stand at $1,604,553. A comparative statement for the past two years, shows the following:

	1926	1925
Premium Income	$2,319,412	$2,071,333
Interest Income	663,544	649,495
Total	$2,982,956	$2,720,828
New insurance paid for	$16,814,386	$14,581,054
Insurance in force ...	69,491,590	61,746,263
Total assets	12,299,960	11,253,139
Paid to policyholders..	962,644	884,572
Year's surplus	1,399,101	1,394,001

Manufacturers Life in '26 Writes $70,000,000 Business

Shareholders and policyholders of the Manufacturers' Life Insurance Company received the fortieth annual report of their company this week, which shows new records for the year of 1926.

The new business written amounted to $70,630,396, an increase of $5,195,244 over 1925, bringing the total insurance in force up to $361,166,647. The company's assets increased during the year by over $7,750,000 and now amount to $67,643,709.

Of this amount nearly $32,000,000 is invested in government, government guaranteed and municipal bonds. First mortgages on improved real estate comprise nearly $13,000,000.

New loans on first mortgages were made for $3,900,000, a considerable proportion of which was obtained in new fields to which the loaning operations of the company were recently extended. Loans to policyholders on the security of their policies were made for $2,400,000.

The average rate of yield on the company's investments was approximately 6 per cent. for the year.

The payments to policyholders constituted a record. Death claims amounted to $2,159,421; matured policies, annuities, etc., $2,720,951, and dividends to policyholders, $1,327,787. Payments to policyholders totaled almost twice the sum paid beneficiaries under death claims. In addition to the above, the company set aside $1,638,081 as dividends to policyholders to be paid during 1927.

The number of policyholders during the year increased from 150,000 to 165,000 and a further increase in the scale of dividends to policyholders in 1927 is announced. The year's progress is indicated by the following comparative table:

	1925	1926
New Insurance Issued	$65,435,152	$70,630,396
Insurance in Force	319,216,126	361,166,647
Assets	59,839,954	67,643,709
Policy Reserves	50,136,399	57,099,942
Total Income	16,312,126	18,667,904

Pulp and Paper

(Continued from page 6)

PROVINCIAL PAPER ADDS NEW MACHINE

Which Will Increase Output by 60 Tons Daliy—Stock Prices Have Increased

The Provincial Paper Mills has installed and placed in operation a 165-inch paper machine in its Port Arthur mill. The machine is devoted to the manufacture of a superior grade of half-tone newsprint and, when completely tuned up, will produce 60 tons daily.

Provincial Paper Mills manufactures book paper, writing paper, bond paper and coated paper. It has five plants, two located at Georgetown, Ont., and one each at Mille Roches, Port Arthur and Thorold, Ont. In 1926 it was announced that the company had recently acquired the entire share capital of the John Martin Paper Company, of Winnipeg, a western paper wholesale house of fifteen years standing. The marketing operations conducted through this western branch are carried on under a subsidiary known as the Provincial Paper Sales, Limited.

The company has been enjoying increasing prosperity since 1923. In the latter year the profits were equivalent to only 1.19 per cent. on its common stock. In the following year they were equivalent to 9.11 per cent., and in 1925 they rose to 13.35 per cent. The figures for 1926 have not yet been issued, but it is understood that further increase will be shown. It is known that the year started out well, as at the last annual meeting held in Toronto in February, 1926, the president announced that January sales had been greatly in excess of the corresponding month of the preceding year.

This increasing earning power is finding gradual reflection in the stock market. As the preferred and common shares of this company are closely held, the amount available for trading purposes is rather limited, so that there is comparatively little trading in the issues on the stock exchanges in Montreal and Toronto, where they are listed. The price of the common stock has, however, steadily advanced and in the closing months of last year and early in 1927 it attained a new high level.

The company has an authorized capital of $10,000,000, divided into $2,400,000 of 7 per cent. preferred stock, of which $1,700,000 has been issued, and $7,600,000 common stock, of which $3,500,000 has been issued. In addition there is a funded debt of around $1,350,000 consisting of 6 per cent. bonds falling due May 1, 1940. Dividends on the preferred have been regularly paid at the stipulated rate of 7 per cent., while the common has been on a 6 per cent. basis since 1920, with occasonal bonuses. In the past two years the annual bonus has been 1 per cent., making a total distribution of 7 per cent. for each year.

Forestry Association Makes Good Progress

From Our Own Correspondent.

MONTREAL.—The annual convention of the Canadian Forestry Association, which is accomplishing so much good work in safeguarding the future of the Dominion's forest wealth, was held in Montreal this week. The association has experienced a good year. The progress which has been made is summarized under ten heads in the annual report as follows:

1. Total of new members secured 4,750. Membership losses 1,750. Net gain 3,000.

2. Present strength of association 27,900. (The largest and strongest forestry association in the world.)

3. Total revenues 1926, including bank balance $120,419. Increases over 1925, $23,415. 64 per cent. increase in revenues in last three years.

4. Total expenditures, 1926, $115,326; 1925, $88,623; increase $26,703.

5. Number of summer lecturers 12. Winter lecturers 2. Total meeting 1,322. Total audiences 300,056, chiefly settlers.

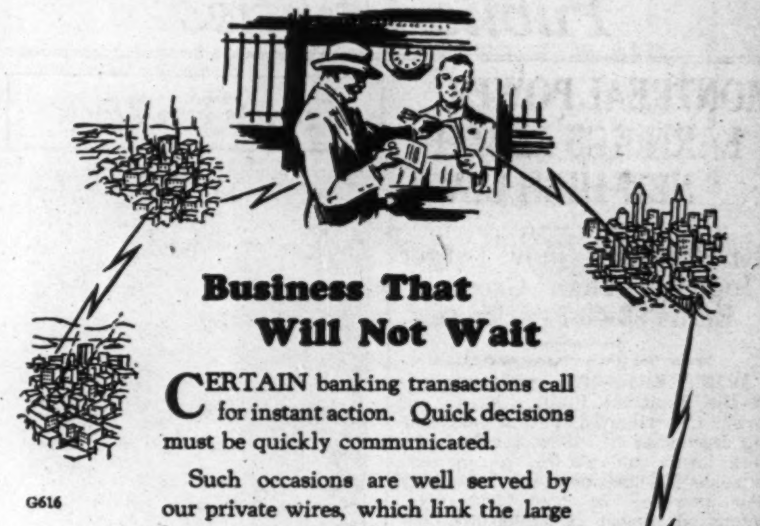
6. New French conservation magazine, "La Foret et La Ferme," started and made successful. Eleven thousand circulation monthly.

7. British Columbia branch carried out a vigorous year of anti-fire campaigning.

8. Newspaper publicity, radio broadcasting, and many other forms of educational publicity expanded in all parts of Canada.

9. Prairie tree planting campaign instructed 289 communities.

10. Forest conservation efforts applied from Cape Breton to northern British Columbia.



Business That Will Not Wait

CERTAIN banking transactions call for instant action. Quick decisions must be quickly communicated.

Such occasions are well served by our private wires, which link the large business centres of Canada, the United States and Cuba.

This service is always at the disposal of our customers.

G616

The Royal Bank of Canada

NEWBOLD C. JONES
FREDERICK NEWTON
BRIAN HEWARD
JOHN D. MACPHERSON

JONES, NEWTON & HEWARD

MEMBERS MONTREAL STOCK EXCHANGE

105-106 TRANSPORTATION BUILDING

TELEPHONE MAIN 2411*.

APPRAISALS REPORTS
INVESTIGATIONS

Industrials—Public Utilities—Natural Resources

Guess Values or Fact Values?

A Canadian Appraisal will give you the true facts concerning your property DOLLARS.

Every Canadian Appraisal is made with a recognition of the fact that we are counting someone else's money—dollars and cents represented by property.

When the Canadian Appraisal Company says that a property is worth a certain sum, it has the evidence to support the statement.

Canadian Appraisal Company Limited

3

MONTREAL TORONTO NEW YORK

When selecting a Trust Company as an Executor, choose one whose fixed policy is to give

Financial Assistance

to Estates being administered by it

PAID UP CAPITAL AND RESERVE $1,259,430.36

The Imperial Canadian Trust Co.

Executor, Administrator, Assignee, Trustee, Etc.

Head Office: Winnipeg
Branches: Saskatoon and Calgary

McDougall & Cowans

Members of the Montreal Stock Exchange

130 St. James Street

STOCK BROKERS

HALIFAX SAINT JOHN, N.B. QUEBEC
OTTAWA TORONTO WINNIPEG

MONTREAL

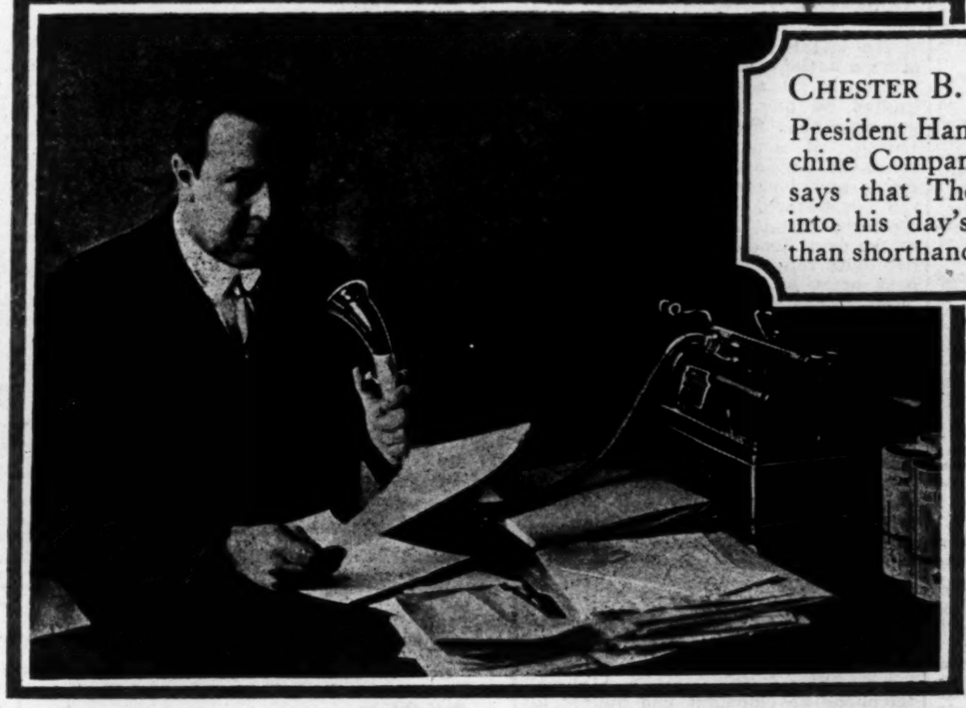
Direct Private Wire to all Branches and New York

What's Wrong With Shorthand?

Executives Say:—

"How do I know what I said?"
"It's the 'ring and wait' system."
"She can't help me with other things."
"If I could only dictate while it's fresh in my mind."
"If she could only take it as fast as I think."
"She can't get out all she's taken."
"I'm forced to cut dictation short."
"Felt just like dictating but she's gone."

That's enough! I'll send in the coupon below on general principles.



CHESTER B. HAMILTON, JR.
President Hamilton Gear & Machine Company, Toronto, Ont., says that The Dictaphone fits into his day's work far better than shorthand

"Now I dictate when and as I want to"

"With the Dictaphone, interruptions do not cause half so much trouble, either for me or my Secretary"

What's Wrong With Shorthand?

Secretaries Say:—

"I'm sure he said that, but . . . ."
"Those awful waits while he chats over the phone."
"Hours wasted while he's in conference."
"No one else can read my notes."
"I'm nothing but a bell-hop."
"These endless notes make me dizzy."
"Yes, I do mind staying late."
"Cold notes are maddening."
"No time for real secretarial work."

That's enough! I'll show him this trial offer right now.

Adèle Brown,
Mr. Hamilton's Secretary, likes The Dictaphone because she has been freed from the endless interruptions which shorthand involved

Chester B. Hamilton, Jr., is speaking. Executives will do well to heed — and then consider coupon offer below.

"I'M WELL rid of shorthand, and nobody in this office mourns its departure. Why *should* we, when The Dictaphone does the same work better and with a lot less bother to all concerned?"

President Chester B. Hamilton, Jr., of the Hamilton Gear and Machine Company, Toronto, Canada's largest gear manufacturing concern, voices with these words the sentiment of thousands of other executives. He continues:

"Most important of The Dictaphone's advantages to me is the fact that I can dictate at any time convenient to me—early, late, during noon hour or whenever other duties permit. I'm independent of stenographic help; and my Secretary, too, can work without interruptions or overtime.

"Moreover, I can prepare before dictating each complicated technical letter and then proceed to the next, and this without upsetting a stenographer with frequent calls to my desk or long delays between letters.

"Finally The Dictaphone fits itself in between the many interruptions I have to contend with, and gives me the chance to dictate a few letters late in the afternoon when all stenographers are busy typing to-day's mail."

Miss Adèle Brown, Mr. Hamilton's efficient Secretary, says, "The Dictaphone is a great boon to me. I can plan and do my work so much better when freed from endless interruptions. Then, too, if one girl is away, another can transcribe her records while she couldn't type her shorthand notes."

DICTATE TO THE DICTAPHONE

"Reg. Canada"

and double your ability to get things done

MAIL WITH YOUR LETTERHEAD TO

Dictaphone Sales Corp. Ltd.

33 Melinda Street, Toronto

T. R. CRAYSTON,
General Manager

☐ I want to read what leading executives or secretaries say about increasing their ability with The Dictaphone. Mail me FREE copy of your booklet, "What's Wrong With Shorthand?"
☐ I am a Secretary ☐ Executive
[Check one]
☐ Please notify your nearest office to let me try a New Model 10 without obligation.

TF-1

World-wide Organizations—U.S.A., London, Paris, Brussels, Sydney, Shanghai, etc.

Public Utilities

MONTREAL POWER EARNINGS REACH NEW HIGH LEVEL

Net Revenues Show Larger Increase Than Gross—Earns $3.46 Per Share

From Our Own Correspondent.

MONTREAL.—The gross earnings of the Montreal Light, Heat and Power Consolidated for the year ending December 31, 1926, touched new high levels and showed an increase of some $550,000 over the 1925 level. The increase in the 1925 gross amounted almost to $1,000,000. Operating expenses were somewhat lower than in 1925 with the result that the net revenues, after all charges, and available for bond interest and dividends, were up some $800,000. The earnings applicable to the new common stock of no par value amounted to $3.46 per share.

The profit and loss figures and the working capital position figures over the past three years compare as follows:

	1926 $	1925 $	1924 $
Gross	18,907,382	18,348,806	17,394,091
Op. expenses	7,109,918	7,349,243	6,847,881
Balance	11,797,464	10,999,562	10,546,207
Taxes	1,213,038	1,274,655	1,136,608
Deprec.	1,890,738	1,834,880	1,739,409
Net rev.	8,693,688	7,890,026	7,670,190
Fixed chgs.	1,611,121	1,213,650	1,209,778
Net inc.	7,082,567	6,676,376	6,406,412
Divs. paid	5,135,041	4,256,638	3,770,642
Div. accr.	....	862,452	754,261
Balance	1,947,526	1,557,285	1,935,508
Pens. fund	20,000	20,000	20,000
Ins. fund	58,043	....	150,000
Surplus	1,869,483	1,537,285	1,765,508

Working Capital

	1926 $	1925 $	1924 $
Curr. assets	13,184,961	14,832,953	13,274,769
Curr. liabs.	4,399,062	4,185,864	3,939,615
Work. cap.	8,785,899	10,647,089	9,335,154

Working Capital Position

The decline of around $2,000,000 in the working capital position is due to the fact that the amount of bonds issued to retire the short-lived preferred stock was about $2,000,000 below the figure of the preferred shares then outstanding, and the difference was made up out of working capital. The balance sheet figures reveal an increase of some $4,500,000 in fixed assets, with a decline of about $600,000 in investments.

The balance sheet has been revamped in many respects. For instance, the depreciation reserve, which last year amounted to nearly $10,000,000, has been removed from the liability side of the exhibit and the fixed assets are now shown less depreciation reserves. The new bond issue of $30,000,000 makes its appearance for the first time among the liabilities, and the surplus and capital accounts have been consolidated and show a sum of $56,185,745, which represents the 2,041,837 shares of no-par value common stock outstanding.

Remarks to Shareholders

In his remarks to the shareholders, Sir Herbert S. Holt, the president, said in part:

"There has been little or no change in operation conditions, and the costs for equipment supplies and labor are still abnormally high. There has been a slight reduction in the cost of gas coal at the mines, notwithstanding the present cost of coal delivered is approximately 75 per cent. above pre-war costs, while the cost of gas oil, and the rates for labor generally, are more than double those prevailing prior to 1915.

"The taxation of your company is excessively heavy and openly discriminatory, as our operations are subject to heavy federal income taxes, whereas the provincial and municipal undertakings of Ontario and other provinces, although on a similar commercial basis, not only enjoy immunity from provincial and municipal taxation, but under the federal law are exempt entirely from income taxation.

Heavy Tax Burden

"Our taxes are of necessity included in our rates for service and are, consequently, a, burden upon our consumers, and, while we are sure our consumers do not object to paying their proportion of the running expenses of the country, they object (and rightly so) to paying the proportion of Toronto, Winnipeg and other cities where the utilities are publicly owned. While our protestations on behalf of our consumers have so far been without avail, we feel that all public bodies, including municipal and parliamentary representatives in this province, should pursue the question until relief is afforded. Meantime this open discrimination in taxation undoubtedly handicaps Montreal and the province of Quebec.

"As regards taxes in general, it is a question that calls for serious individual thought when a business such as yours, furnishing public necessities, is called upon to disburse in taxes the sum of $1,213,038, upwards of seventeen per cent. of the company's net income.

"The policy of your directors in this respect has continued on lines that are recognized as sound and reasonable, and in the interests of both shareholders and consumers. The regular appropriation for the year has been credited to depreciation account and, with other reserves, is invested in productive plant, thus being employed as capital on which no dividend or interest charges have to be paid.

Bonds Were Redeemed

"There were redeemed during the year $606,500 of mortgage debt, as constituted by $149,000 bonds of the Cedars Rapids Manufacturing & Power Company; $29,000 bonds of the Montreal Light, Heat & Power Company (Lachine Division); $30,000 bonds of the Provincial Light, Heat & Power Company, and $398,500 bonds of the Lachine Rapids Hydraulic and Land Company.

"During the year there have been numerous and considerable additions to generation and distribution systems of both gas and electric departments in order to meet the demand for service consequent upon the rapid development of the city and suburbs. Notable amongst these additions is 52½ miles of gas-distributing mains in new territory, which while unproductive at present are hopeful for the future, meantime extending an essential utility to many people heretofore without service of the kind.

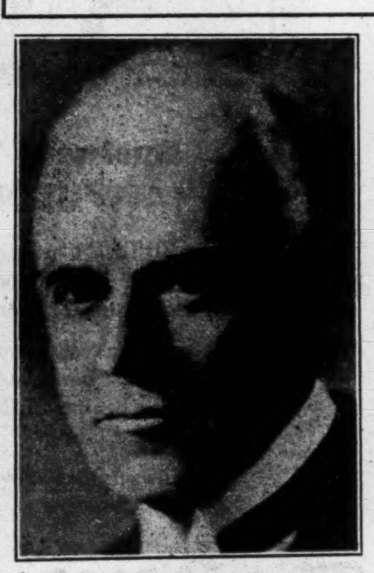
"While your company is extending its system prematurely into new territory in order to serve gas and electricity (the comforts of home) to pioneers, the authorities of these new municipalities would seem, ignorantly or otherwise, to be working in opposition to our aims through exercising their right to tax the utilities as soon as they arrive; in fact, so serious has become the problem that your company must sooner or later decide upon differential rates for new territory until productive, or defer its extensions until the territory becomes sufficiently populated to warrant the investment. It is hard to realize how new territory can develop without the utilities, and herein lies the folly of 'killing the goose that lays the golden egg.'

Reduction in Rates

"Gas service: In pursuance of our adopted policy to share our prosperity with our consumers and to sell our products at minimum rates, consistent with good service, we recently reduced the price of gas by 5c. per M. cubic feet; it is estimated our consumers will benefit by this reduction to an amount of not less than $250,000 per year.

"It will be pleasing to the shareholders to know that your company enjoys an unrivalled position for minimum rates in respect of both gas and electricity throughout the continent of America — the more remarkable when it is considered, on the one hand, that we are farther afield than others from the source of our raw materials, involving long freights and import duties, and, on the other hand, that our climate, from the standpoint of adverse operating conditions during the winter, has no parallel."

Presents Fine Report



J. S. NORRIS,
Vice President and general manager of Montreal Light, Heat and Power, which has again presented a record breaking financial statement to shareholders.

PHONE IS UNIQUE AMONG UTILITIES; MONOPOLY BEST

Officers of Bell System of Canada Speak to Students

Extracts from Lectures to Students in Commerce and Finance, University of Toronto.

By KENNETH J. DUNSTAN,
Vice-president, Bell Telephone Company of Canada.

The telephone is, more than any other a nation-wide utility. Telephone service to be adequate cannot be limited by any political boundaries narrower than the boundaries of the nation. It must reach across the continent and connect not only the cities and larger communities, but the cross-roads settlements and the scattered farms. No individual part of the development can be considered only with reference to itself, but each part must be considered in its relation to the whole. It is easy to understand that the development of the service anywhere adds to the value of the service everywhere. No subscriber to telephone service knows in advance the stations or locations he may at some time want to reach. Every increase in potentiality of service increases value. The telephone cannot stop operations. It must go on under all conditions. It should meet every request for extensions. It cannot limit its operations without injury to the public whom it serves.

By G. H. ROGERS,
General Commercial Engineer, Bell Telephone Company of Canada.

The United States and Canada have achieved the world's highest telephone development and supply a quality of service recognized as standard

Modern civilization would be impossible without an efficient system of communication, and the telephone organizations offer service to meet the particular demands of each individual case.

The product of a telephone company is service; it does not furnish any commodity, nor does it, like a telegraph company, transmit messages. By means of its plant and personnel it provides an electrical connection between two distant points, and the actual parties concerned personally transmit the messages.

Produces Only Utility

The organization, personnel, plant and equipment are devoted to one purpose, furnishing telephone service, and in this respect a telephone company differs from a mercantile establishment inasmuch as it does not handle a tangible commodity. It produces utility, and it is service that is sold and for which it receives compensation.

The familiar telephone set in the home and place of business is the symbol of service, and the instrumentality by which telephone service is rendered.

The service demands to be met by the telephone industry include local exchange and toll service, directory and information service, repair service, leased line and morse facilities, etc.

Is Natural Monopoly

The users of telephone service do not want two systems in the same locality, as it results in restricted service to the subscriber or increased expenses if subscribing to both systems. Competing systems separate the subscribers, making communication more difficult and expensive, and it has long been realized that the theory of free competition as a means of securing the best and cheapest telephone service for the community is unsound having regard to the nature and efficiency of the service.

A telephone company differs from other businesses in that it is usually free from competition. The competitive situation cannot be maintained in the operation of telephone properties as it is not compatible with charges for service that will be sufficiently remunerative to attract the additional investments of capital.

The return of the investor must be sufficiently high to attract new capital from time to time, as in the telephone public utility field new capital is constantly needed for development to meet the increasing demands for telephone service. A telephone company cannot remain inactive, unless it develops it goes backward. Failure to develop means inadequate and insufficient service, and leads to public dissatisfacton and criticism.

Governed by Economic Laws

A telephone company, therefore, as a public utility can be classified as a natural monopoly, a monopoly which arises from the characteristics peculiar to the business. It is, however, like any other business insofar as its corporate entity is concerned, and the business of a telephone company is governed by the same fundamental principles which govern any other business. Economic laws operate in the same manner as in commerce and in the daily conduct of business the same as every other commercial enterprise in the community, and although there are essential differences between a public utility and a mercantile establishment, the many elements in common must be recognized.

Other public utilities and enterprises do not have the same personal relation to the public as a telephone company. The use of its service enters into business and the most intimate social matters to an extent that is not realized on account of the habitual use of that service.

Manitoba Power Company Installing Fourth Unit

From Our Own Correspondent.

MONTREAL.—The current year promises to be one of the most active in the history of the Manitoba Power Company. At the close of last November, the company installed its third 28,000 h.p. unit at the Great Falls plant, thus bringing the development up to one-half of its ultimate capacity. In the meantime, a fourth unit of 28,000 h.p. capacity has been ordered and will be placed in service by August next.

All the power generated by the third unit will be absorbed by the Manitoba Paper Company's new machine, which has been installed at the mill. The fourth unit at the Manitoba Power Company's plant will be required to produce the power for the second paper machine which is now being installed at the paper mill, and also to take care of the increasing demand for power in the company's territory. The management believes that by the end of 1928, the installed capacity of the plant amounting to 112,000 h.p. will have been sold.

The Manitoba Power Company has commenced work on the construction of a 55-mile transmission line between Great Falls and the camp of the Central Manitoba Mining Company; this line will be completed and delivering power by March next. Work is also underway on a new transmission line between Great Falls and the city of Winnipeg. This will be a double-circuit steel power line constructed to carry power at 110,000 volts and will be in use by the autumn of this year.

Steamer's Second Loss Covered by Insurance

MONTREAL.—The reports of the fire which badly damaged the Canada Steamship Lines new steamer, the St. Laurent, which was being built at the Davie yard at Lauzon, had some effect on the stock, but the loss was entirely covered by insurance. As the construction work was about 35 days ahead of schedule, it is understood that the steamer will be completed as originally intended on June 1 next.

The fire went through the three cabin decks of the new steamer, but the engines and boilers and general engine-room equipment had not been installed and, of course, were not damaged by the flames. The hull was not affected below the main deck.

In any event, Canada Steamship Lines has sufficient steamers at its disposal to maintain its complete passenger services.

$21,055,841 in EIGHT MONTHS

BUILDING construction in Greater Vancouver the first eight months of 1926 amounted to $21,055,841, as against $13,224,950 in the same period last year. Figures like these indicate the solid foundation for the faith of those who are investing in Vancouver properties and industries.

Send for Investment Lists.

Ceperley, Rounsefell and Co.

Investment Bankers—Est. 1886.
846 Hastings St. W.—Vancouver.

Insurance, Bank & Trust Company Stocks

The Insurance Investments Limited
Adelaide 8127-8
347 Bay Street, Toronto

CANADIAN GUARANTY TRUST CO.

Acts as Executor, Administrator, Trustee, Guardian, Agent and in any other Fiduciary capacity.
Official Administrator for the Northern Judicial District in Manitoba and for the Swift Current Judicial District in Saskatchewan.

Head Office: BRANDON, MAN. — Branch Office: Swift Current, Sask. — JOHN R. LITTLE, Managing Director.

P. Lyall & Sons Construction Company, Limited

Toronto - Montreal - Ottawa

Electrical Energy in the City of Montreal

RELIABLE	CONTINUOUS	UNLIMITED
Six (6) Hydro-Electric Power plants and large steam plant Reserve.	Available for use 24 hours per day and every day. No restrictions.	A p proximately 300,000 H. P. available.

FOR POWER, LIGHT AND OTHER PURPOSES
Generated and Distributed by the

Montreal Light, Heat & Power Consolidated

Low Rates for Service

Inquiry Requested. Address to Power Bldg., 83 Craig St. West, Tel. Main 4040. Montreal

For Economy with Service Route Your Freight Shipments *via* Canada Steamship Lines, LIMITED

Between Montreal Three Rivers Quebec	*From* Montreal, Toronto, Hamilton to Port Arthur, Fort William	*Between* Montreal, Toronto, Hamilton, Windsor, Detroit

Brewery Shares Have Proven Profitable Investments

Those who have purchased the shares in the well-managed and efficiently-operated Canadian breweries have received handsome returns in the form of dividends, and in nearly every case have seen the market value of their shares greatly increased.

Toronto Brewing & Malting Co. Limited

is an old established brewery, located on a very valuable site in the heart of Toronto and having a daily capacity of 400 barrels. The Company is in the hands of experienced management and with the advent of Government Control should easily secure sufficient business to return shareholders handsome profits.

We strongly recommend the purchase of these common shares of no par value at

$12.00 per share

and would be glad to furnish additional information and a descriptive circular upon request.

ADel. 7715

MORGAN U. KEMERER

Members Standard Stock and Mining Exchange
29 MELINDA STREET TORONTO

PORCUPINE-KIRKLAND GOLD MINES LIMITED

No Personal Liability

Incorporated under the Ontario Companies Act and subject to part XI thereof.

"From what is showing on the properties I consider that the indications are very favorable for the ultimate development of a large enterprise. The ore bodies have the earmarks of being extensive, and the outlook generally is exceedingly good."

W. E. SIMPSON.

The above extract from W. E. Simpson's report on the Cabot group, the property of

PORCUPINE-KIRKLAND GOLD MINES LIMITED (No Personal Liability)

was sufficient to arouse the interest of enterprising English capitalists sufficiently so that the firm of Carstairs Wheeler & Co., Byron House, London, England, closed a deal through the Lonergan Securities Limited for half a million shares of Porcupine-Kirkland capital stock. Now, as there is no likelihood of the company making any further offering of the treasury shares, and as we have only 75,000 shares left from the last treasury offering at $1 a share, we would recommend that reservations be made at once. We can take care of orders only to the extent of 75,000 shares.

LONERGAN SECURITIES LIMITED

Union Trust Bldg. TORONTO — 105 Victoria St. Elgin 4289

PULP AND PAPER MEN FOREGATHER IN CONVENTION

Annual Meet Again Calls Together Men of Fourdrinier

From Our Own Correspondent.

MONTREAL. — With the glowing tan on their faces which bespeaks a life in the northern forests, many forest engineers and woods experts gathered at the Ritz-Carlton Hotel in Montreal this week. They brought with them to that usually very civilized hotel a breath of the romance which surrounds the work of the pulp and paper industry in the northern wilds. The occasion was the annual meeting of the Canadian Pulp and Paper Association.

The first two days of the meeting were occupied with the deliberations of the woodlands and the technical sections. The former discussed at length the various problems which confront the executives in the management of their forest areas. Committees on utilization, protection, administraion and transportation turned in valuable reports. The section was also addressed by A. Graham, of the Quebec Forest Industries Association, H. L. Churchill, of Finch, Pruyn and Company, and W. G. Wright, of Price Brothers and Company on some forest operating problems.

To the technical section were delivered seven addreses which discussed completely various processes of the paper makers art. The last day of the convention will close with the annual meeting at which the new president will be elected and at which will be presented the reports covering each branch of the industry.

Reports are Informative

The reports will contain complete reviews of the situation which surrounds the newsprint, the chemical pulp, the paperboard, the high grade paper, the wrapping paper and specialties sections of the whole pulp and paper field. From these reports the investor will be able to obtain a satisfactory birdseye view of prevailing conditions.

The convention of the Canadian Pulp and Paper Association is always a thing apart—old friends in the industry meet and chat and there is certainly no lack of a feeling of good comradeship, but there is an absence of back-slapping and the pseudo forms of goodwill that so often make the name-word convention anathema to the serious or thoughtful individual.

Perhaps there are two reasons why the pulp and paper men are able to hold good conventions. One is perhaps the fact that many of those attending are either technicians or else are really intent on obtaining new and real information relative to their business. The other is that many know one another and therefore no valuable time is lost in promoting what usually turns out to be a false sociability.

But the pulp and paper men have a good time—at the close of the daily meetings. One of the features of the annual gatherings is the cabaret which none can attend save those skilled in fourdriniers, silviculture and other mysteries hallowed by the paper brotherhood, but little understood by the public—or the press. Thus the happenings at the cabaret forever remain a mystery to the public, for none can win an entrance, save those who know and understand the mystic pass words.

THE NATION'S BUSINESS

(Continued from page 1)

some of the January reviews, now arriving from London. The National Review is very critical of a conference that frittered away time in questions of status and did practically nothing for trade. It says: "The Imperial Conference broke up without having attempted any serious, practical, or constructive measure either in the sphere of trade or defence. The home government had nothing to propose or suggest at this fateful parting of the ways. All the resources of British statesmanship were exhausted on status,"—as the Review expresses it "propitiating the separatists."

* * *

A VOICE was added to the pleas for complete abolition of the income tax, when George Wilson, retiring president of the Toronto Board of Trade, said this week: "In view of the buoyant government revenues and the prospects of expanding business, my opinion is that if the federal income tax was abolished entirely such a policy would stimulate investments in productive enterprises and attract outside capital to an extent which would create new sources of revenue in other forms of taxation more than sufficient to offset the loss of revenue due to the abolition of the income tax."

If the minister of finance plans to abolish the income tax, he has guarded his secret well. It is doubtful, however, if he will make any such move. Rather, he is positively certain to grant further reductions in the scale of income taxation, both to the end of recognizing his present growth in revenues and to relieving the burden on business and the public generally.

Public Utility Earnings

Jamaica Public Service

	November 1926	November 1925
Gross Earnings	$56,871	$53,966
Net Earnings	24,434	23,722
Surplus after charges ..	18,267	17,413
	12 mos. ending Nov. 30 1926	1925
Gross Earnings	$650,149	$619,080
Net Earnings	254,967	227,836
Surplus after charges ..	180,197	148,243

Converted from £1 Sterling at the rate of $4.86-2/3 to the £.

Use Dividend Cheques to Inform Shareholders

International Paper Company use their dividend cheques to tell shareholders about the company. Dividend cheques now going out are enclosed in a folder that shows a picture of the Kipawa mill, on the Ottawa River and that describes that plant. The folder is printed, it is stated, on paper made by the Ticonderoga division of the company.

Perfection Glass Co. Gives Big Stock Bonus

From Our Own Correspondent.

MONTREAL.—The Perfection Glass Company, to care for its expanding business, is to increase its capitalization. The change in the capital will carry with it a 100 per cent. stock bonus to the present shareholders.

In a letter to the shareholders, James A. Watt, the president, reviews the strides the company has made to date, pointing out that the business has already outgrown the new plant acquired in Montreal in the summer of 1926, and that a large extension to this property has just been completed. He points out that the company has developed a business in the province of Ontario which warrants the opening of a branch at Windsor, and that after this branch goes into operation, others will be opened elsewhere.

All the plans for the increase in capitalization have not been disclosed, but dealing with this the letter to the shareholders says in part:

The Stock Bonus

"The necessity for this increase in capitalization has been known to your management for some time, with the result that all the preliminary work has been done and the necessary by-laws drafted, which in the very near future will be presented to the shareholders for their approval and sanction. In working out the plans for this increased capitalization, your management has not been unmindful of the interests of the present shareholders, whose money, confidence and patience have created this new and profitable industry. With this in mind the proposed plan will carry with it a stock bonus of one hundred per cent. to the holders of the original shares, where final payments have been made. It is further proposed to recall the old stock certificates and issue new ones which will be of a form approved by the board of governors of the stock exchange.

Ontario Loan Assets and Earnings Increase

Both business and profits of Ontario Loan and Debenture Company, London, advanced in 1925. Annual report issued this week, shows earnings of $306,89 as compared with $296,123. After paying taxes and the usual dividend of 11 per cent. and putting $75,000 into reserve fund, the profit and loss surplus was increased by $14,652, bringing it to $69,-767. Comparative figures follow:

Profit and Loss

	1926	1925	1924
Earnings	$306,089	$296,123	$299,097
Income tax	23,937	26,878	25,757
	$282,152	$269,245	$273,340
Distribution—			
Dividends	$192,500	$192,500	$192,500
Reserve	75,000	75,000	75,000
	$267,500	$267,500	$267,500
Balance	$ 14,652	$ 1,745	$ 5,840
Prev. balance ..	55,115	53,370	47,530
P. & L. bal. ..	$ 69,767	$ 55,115	$ 53,370

Ten Years' Record

Year	Cap.	Paid-up xProf.	Div.	Earn. on cap.	Earn. rate†
1926	$1,750,000	$282,152	11	16.1	6.2
1925	1,750,000	269,245	11	15.3	6.0
1924	1,750,000	273,340	11	16.0	6.2
1923	1,750,000	265,580	10+1	15.6	6.2
1922	1,750,000	270,706	10+1	15.9	6.4
1921	1,750,000	289,591	10	16.5	7.0
1920	1,750,000	251,029	9+1	14.8	6.4
1919	1,750,000	246,182	9	14.4	6.3
1918	1,750,000	250,739	9	14.7	6.5
1917	1,750,000	254,610	9	15.0	7.0

xLess income tax.
†On capital, reserve and balance forward at beginning of year.

Mortgage payments have been very well met in all localities, it is reported by A. M. Smart, president, who records that the percentage of payments in arrears is lower at the end of 1926 than for several years past.

Balance sheet shows about $500,000 increase in assets, from $9,733,642 to $10,-207,002. Both debentures and deposits are higher and among investments mortgages have increased from $6,346,902 to $6,879,965.

"Our Company shows in every department of its activities continued growth and increased prosperity."
—President at Annual Meeting

The following figures for 1926 will be very gratifying to all interested in the Company's progress:

Insurance in force - $30,169,012
New Insurance - - $8,509,768
Assets - - - - $5,086,402
Surplus Funds - - $505,909
(including capital paid up)

Interest rate earned 6.24%
Actual to expected Mortality... 34%

The Continental Life Insurance Company
GEORGE B. WOODS, President

IMPERIAL OIL'S NEW $1.50 DIVIDEND RATE LIKELY TO CONTINUE

(Continued from page 1)

have also benefited by the selling campaign of the Calgary Gas Company and will probably show an increase over 1925 of some one and one half billion cubic feet. Through our subsidiaries, the Royalite and Dalhousie Companies, we have actively carried on drilling throughout the year, but none of these wells are as yet completed.

"Although drilling for oil in the Turner Valley fields presents extraordinary obstacles, the prospects are encouraging, as the producing wells brought in by the Vulcan, the Illinois-Alberta and the McLeod Companies and the encouraging showings in the other wells indicate a large area over which production may be expected and upon which our leases are favorably situated.

"Outside of the Turner Valley we have three wells drilling in the Foothills Belt. To the north our Bow River, or Jumping Pound well is at a depth of 5,080 feet and to the south, our Highwood well is progressing satisfactorily at 1,780 feet. The third well, Rice Creek, is at present shut down, but at a depth of 5,747 feet is probably the deepest test in Canada. We have reduced our acreage under lease materially during the past year by surrendering those areas where the results of our tests were negative, but we still hold about 80,000 acres of leases in proximity to our present operations."

South American Activities

The activities of the International Petroleum Company, through its subsidiary, the Tropical Oil Company, both owned and controlled by the Imperial Oil, were then commented upon. During the past year, for the first time, the Republic of Colombia became a contributor to the world's supply of petroleum. Since July 4 last, the line built by the Andean National Corporation has been delivering to tank steamers approximately 30,000 barrels of crude oil a day and at present, the Andean Company is engaged in enlarging the capacity of its pipe line to 50,000 barrels a day. It is expected that this work will be completed by the middle of this year, when production will be stepped up to approximately 14,500,000 barrels, of which 13,500,000 barrels will be exported.

In 1926 the Tropical Oil Company completed 74 wells, of which 72 were productive. The initial flush production for 67 tested wells was 74,650 barrels, or an average of 1,114 barrels per well. At the end of 1926 there were 141 producing wells on the property, which are not being operated to capacity but only to the extent of producing sufficient crude oil to take care of all pipe line deliveries for export consistent with the existing facilities, as well as refinery requirements for marketing within the country.

Results were equally satisfactory in Peru. At the end of year 1925 there were 1,202 producing oil wells and 4 gas wells on our Peruvian property. Total wells drilled in 1925 were 84, of which 73 were productive. The average initial production of the completed producing wells was 344 barrels, and their average depth 1,643 feet.

Fleet Operated Efficiently

The company's fleet during the year operated efficiently and transported over seventeen million barrels of crude oil and finished products without any serious mishap. Considering the hazardous conditions attending the long voyages from South American and other distant ports and the inflammable character of the cargoes, the movement of an average of some forty-seven thousand barrels per day throughout the year must be regarded as most creditable. Including the new tankers at present under construction for Imperial Oil, Limited, and the International Petroleum Company, the Imperial Oil fleet now represents 178,821 deadweight tons. There are now under construction in British yards for delivery this year three ships, two of 15,600 tons each, designed for the salt water trade, and one of 2,650 tons for use on the lakes.

Shawinigan Situation Seems Satisfactory

From Our Own Correspondent

MONTREAL.—February 1 is the date set for the exchange of shares of the Shawinigan Water and Power Company. After that date, the transfer agent of the company will issue four new shares of no par value in exchange for each share of $100 par value. Probably the new no par stock will immediately be called on the exchange. Both the old and the new stock will be traded in simultaneously, but the $100 par value shares will ultimately be taken off the market.

Of late, Shawinigan's subsidiary, the Quebec Power Company, has shown decided strength on the market, due in part to the fact that the latter's subsidiaries are on a better earning basis, and also to the fact that there seems to be a general idea that some constructive developments will take place shortly in the Quebec Power Company. Other subsidiaries of Shawinigan have also improved their earning power considerably and when the new no par value common stock makes its appearance it seems generally anticipated that the wider distribution, which will follow the issuance of the low priced stock, will bring about somewhat higher prices for Shawinigan shares.

Employees Buy "Bell"

MONTREAL.—The interest of the employees of the Bell Telephone in their company is growing. At present 8,335 employees of the company are subscribing for shares on the easy payment plan. The stock, which is being purchased, has a par value of $1,423,178, or a present market value of around $2,000,000.

FIVE YEAR BONDS

Five years is the usual term of a mortgage. "Canada Permanent" Coupon Bonds are issued for the same period, bearing interest at

FIVE PER CENT.

per annum, payable half-yearly.

Investors in these Bonds receive their interest the day it is due. Those who, to obtain a slightly higher rate, lend on mortgage security not only cannot be sure of prompt payment of interest, but have to see that buildings are kept insured, taxes paid and attend to many other details, the omission of which might jeopardize their investment.

Please let us send you full particulars of "Canada Permanent" Bonds which are a recognized high-grade security and a legal investment for Trust Funds.

CANADA PERMANENT MORTGAGE CORPORATION
14-18 Toronto Street Toronto 2
Established 1855

THE DOMINION BANK ESTABLISHED 1871

THE DOMINION BANK

Fifty-sixth Annual Statement

The Fifty-sixth Annual General Meeting of The Dominion Bank was held at the Head Office in Toronto, on Wednesday, January 26th, 1927, at which the following statement of the Profit and Loss Account and the Liabilities and Assets of the Bank as on December 31st, 1926, was presented:—

PROFIT AND LOSS ACCOUNT

Balance of Profit and Loss Account, 31st December, 1925.......		$ 964,298.16
Profits for the year, after deducting charges of management and making full provision for bad and doubtful debts............		1,259,276.65
		$ 2,223,574.81
Which amount has been disposed of as follows:		
Dividends (quarterly) at Twelve per cent. per annum..........	$ 720,000.00	
Bonus, One per cent.	60,000.00	
Total distribution to Shareholders of Thirteen per cent. for the year		$ 780,000.00
Contribution to Officers' Pension Fund		45,000.00
Dominion and Provincial Government Taxation..............		166,019.89
Written off Bank Premises		200,000.00
Balance of Profit and Loss Account carried forward..........		1,032,554.92
		$ 2,223,574.81

GENERAL STATEMENT

LIABILITIES

Capital Stock paid in			$ 6,000,000.00
Reserve Fund		$ 7,000,000.00	
Balance of Profit and Loss Account carried forward............		1,032,554.92	
Dividend No. 177, payable 3rd January, 1927..................		180,000.00	
Bonus, One per cent., payable 3rd January, 1927..............		60,000.00	
Former Dividends unclaimed		537.00	
			8,273,091.92
Total Liabilities to the Shareholders			$ 14,273,091.92
Notes of the Bank in Circulation		$ 7,455,572.00	
Deposits not bearing interest	$19,070,348.83		
Deposits bearing interest, including interest accrued to date	79,790,232.11		
		98,860,580.94	
Advances under the Finance Act		....	
Balances due to other Banks in Canada		1,738,098.46	
Balances due to Banks and Banking Correspondents elsewhere than in Canada		1,261,229.32	
Bills Payable		104,652.00	
Liabilities not included in the foregoing		690,611.69	
			110,110,744.41
Letters of Credit Outstanding			3,397,021.78
			$127,780,858.11

ASSETS

Gold and Silver Coin, current	$ 2,126,813.11	
Dominion Government Notes	9,161,472.50	
Deposit in the Central Gold Reserves	1,500,000.00	
Notes of other Banks	886,300.00	
United States and other Foreign Currencies..............	121,030.04	
Cheques on other Banks	7,998,834.23	
Balances due by other Banks in Canada	34.43	
Balances due by Banks and Banking Correspondents elsewhere than in Canada	2,806,675.64	
	24,601,159.95	
Dominion and Provincial Government Securities, not exceeding market value	15,378,393.54	
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other than Canadian, not exceeding market value	4,808,942.48	
Railway and other Bonds, Debentures and Stocks, not exceeding market value	2,751,928.34	
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures and Bonds and other Securities of a sufficient marketable value to cover	9,044,765.47	
Call and Short (not exceeding thirty days) Loans elsewhere than in Canada on Stocks, Debentures and Bonds and other Securities of a sufficient marketable value to cover..............	3,429,153.75	
		$ 60,014,343.53
Other Current Loans and Discounts in Canada (less rebate of interest) after making full provision for all bad and doubtful debts	56,731,593.66	
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest) after making full provision for all bad and doubtful debts	1,000,255.53	
Liabilities of Customers under Letters of Credit, as per contra	3,397,021.78	
Real Estate other than Bank Premises	36,754.10	
Non-Current Loans, estimated loss provided for	267,870.94	
Bank Premises, at not more than cost, less amounts written off	5,724,241.43	
Deposit with the Minister of Finance for the purposes of the Circulation Fund	314,650.00	
Mortgages on Real Estate sold	38,889.65	
Other Assets not included in the foregoing	255,237.49	
		67,766,514.58
		$127,780,858.11

A. W. AUSTIN,
President.

C. A. BOGERT,
General Manager.

AUDITORS' REPORT TO SHAREHOLDERS

We Report to the Shareholders of The Dominion Bank:—

That we have audited the above Balance Sheet as at December 31st, 1926, and compared it with the books and vouchers, at Head Office and with the certified returns from the Branches. We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

In our opinion the Balance Sheet discloses the true condition of the Bank and is as shown by the books of the Bank.

A. B. SHEPHERD, C.A.,
of Peat, Marwick, Mitchell & Co.
D. McK. McCLELLAND, F.C.A.,
of Price, Waterhouse & Co.

Toronto, January 19th, 1927.

The meeting was addressed by Messrs. A. W. Austin, President, C. A. Bogert, Vice-President and General Manager, and C. S. Blackwell, Chairman of the Board, who reviewed the Bank's affairs and spoke briefly in regard to business conditions in Canada.

Appropriate reference was made to the deaths of two directors during the year—Messrs. R. J. Christie and A. T. Reid.

The following directors were elected: Messrs. A. W. Austin, C. S. Blackwell, C. A. Bogert, R. Y. Eaton, E. W. Hamber, Wilmot L. Matthews, R. S. McLaughlin, W. W. Near, F. Gordon Osler, J. Allan Ross and H. H. Williams.

At a subsequent meeting of the directors Mr. A. W. Austin was elected President, Mr. C. A. Bogert, Vice-President, and Mr. C. S. Blackwell, Chairman of the Board.

THE FINANCIAL POST

Member Audit Bureau of Circulations

President—JOHN BAYNE MACLEAN.
Vice-President—HORACE T. HUNTER.
Manager—GORDON RUTLEDGE.
Managing Editor—FLOYD S. CHALMERS.

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

The detailed circulation statement we submit is the sworn finding of the Audit Bureau of Circulations, the recognized independent authority. THE FINANCIAL POST is the only Canadian financial paper submitting its circulation to the A.B.C. Inspection.

ADVERTISING RATES:
Single Insertion—$2.80 per inch.
Financial Reports, Debenture Notices, etc., 20c. per agate line.
Contract rates upon request.

SUBSCRIPTION PRICE
Canada and the United States, $5.00 per annum.
United Kingdom, 21s.

Published by
THE MACLEAN PUBLISHING CO., LIMITED
143-153 University Ave., Toronto, 2.

MONTREAL, Southam Building, Murray R. Chipman, Eastern Manager. Rielle Thomson, Eastern Editor; WINNIPEG, 810 Confederation Life Building; NEW YORK, Room 1606, 1133 Broadway; CHICAGO, Room 1903, 360 N. Michigan Blvd.. GREAT BRITAIN—London, The MacLean Co. of Great Britain, Ltd., 88 Fleet Street, E.C., E. J. Dodd, director.

TORONTO, JANUARY 28, 1927

HOLES IN THE MANTLE

"BURNING holes in the mantle of prosperity," is one of the most apt phrases that has been coined to describe the steady flow of money into unsound investments. The London Free Press so heads an article by G. L. Spry, advertising manager of the Huron and Erie Mortgage Corporation, in which Mr. Spry declares that millions of dollars yearly are lost through the ignorance of many investors.

Mr. Spry makes no attempt to estimate the amount of money so lost every year in Canada, but he quotes a Huron county man as saying that the amount gathered in by unscrupulous salesmen, in that county during 1925, would be sufficient to pay off every farm mortgage within its boundaries. The estimate is undoubtedly conservative. Andrew Mellon, secretary of the treasury of the United States, said last week:

"It is essential that we learn to save in this country, but it is equally important that people generally should also learn how to invest their savings in some sound and productive enterprise. It has been estimated that each year more than $500,000,000 is lost in this country through investments in fraudulent securities. . . The most unfortunate aspect of the whole situation is that much of this waste . . . could have been prevented if those seeking investments had taken the trouble to make a proper investigation of securities or to ask the opinion of some competent banker, lawyer or other advisor."

Taking the same per capita for Canada, some $40,000,000 a year would be lost through bad investments. The figure is not high enough to tell the true story.

Mr. Spry gives example after example, gleaned from the life stories that have come to the attention of his company, of savings lost through lack of care or knowledge in investing. He says:

"An elderly couple in the county interviewed a local representative about an investment. They left his office fully convinced it was to their advantage to take a certain trustee security. Three nights later two fine gentlemen from out of town called at their home and sold them $3,000 worth of ——— Steel bonds at about par. A few days later this man and his wife inquired about their new investment and found that their bonds could have been purchased for $900. Thus their failure to heed warning, "Investigate before you invest," cost them over $2,000 for one evening's experience."

Another, too, has a familiar ring:

"There is a town in Western Ontario that at one time depended chiefly upon one industry. In time this played out. The townspeople began looking for new investments. Speculators soon provided opportunities. First, there was a rack factory, then the flax mills, followed by the knitting mills. Then came a packing plant and a wagon factory, just when automobiles were beginning to put wagon factories out of business. None of these industries survived, because the prospects for success were most unfavorable from the outset. Investors lost every dollar."

The experience has been repeated in scores of towns.

The advice that Mr. Spry gives is to investigate before investing, and he gives some pointers on how the ordinary person might investigate. The mortgage companies, the banks, the trust companies, and reliable bond houses could be consulted. He recommends consultation with a paper such as The Financial Post for the investor who hesitates to confide in an officer of a financial institution. "Better lose a good opportunity, through waiting to investigate, than be saddled with a poor investment under pressure," says Mr. Spry. All this is advice of the soundest sort.

Apart from the case of the ordinary man, whose lack of business judgment, lack of contact with financial affairs and lack of experience in investing, makes him easy prey for the swindler and the more legally honest types of stock crook, there is the very serious problem of the business man himself in investing. Business men and investors of some experience do not ordinarily become victims of the fictitious stock promoter but they often do lose very large sums in regularly issued and nominally well-protected stocks and bonds. Sometimes these losses are due to manipulation on the stock exchanges, not apparent except to insiders; sometimes to the over enthusiasm or poor judgment of financiers of apparently good reputation; sometimes to a failure to discriminate between gilt edged investments and speculative investments. For such investors, investment protection must go further than curbing the blue sky promoter. The protection can best come from within; from the stock brokers, bond dealers, and bankers themselves. Here a high sense of honor among financial men is the best protection of the investing public.

WIDE AWAKE

THAT Montreal Power will probably construct coking plants, should prove satisfactory news to the shareholders, for it indicates that this great company is aware of and keeping step with the march of science. Any corporation which is not doing this to-day is in grave danger, as many industries in the United States have found to their cost.

The work of discoverers and technicians has almost overnight materially changed the position of some industries. Improved methods have been discovered or fundamental changes in the process of manufacture have been developed. Thus companies which do not keep up with scientific progress are apt to be taken unawares at any time, and find themselves unable to stand the pace set by competitors who are wise enough to take advantage of improved methods.

German industries have taken exceptional advantage of scientific progress, and many of the larger corporations in that country have included on their boards, scientists of the first rank who have been able to interpret fruitfully the latest research work to the business managements. This is one of the reasons why German industry has offered such keen competition to the whole world.

In the past, coke was largely regarded as a by-product of gas. Today, coal technicians say that soon the consumption of coal in its raw state will be regarded as an economic crime. For the future then, it seem fairly certain that before being used as a fuel, coal will be first treated for the extraction of gas and the many, many very valuable coal tar products. Only the coke will be burnt.

The shareholders of the Montreal Power can therefore congratulate themselves that their management is in close touch with scientific developments such as this, for, broadly speaking, with the single outstanding exception of the pulp and paper industry, corporations in Canada have perhaps not always appreciated the benefits which will accrue from the close application of research, nor have they always understood the dangers which lurk in the chemist's test tube—dangers of improved methods which might be adopted by competing organizations.

CREDIT COSTS MONEY

THERE is too much interference with business by the United States government, but when that interference takes the form of a ruling as fair as the most recent one of the Federal Trade Commission, business men in every country can not but feel that something sane has been done.

The Federal Trade Commission of the United States has handed down a ruling against concerns using the term, "no extra charge for credit," when it is the general practice of the firm to quote or mark all their goods at prices which are to prevail only if such goods are to be sold on credit, or when a substantial discount is given for cash. It is held that credit costs money and should not be advertised as "free."

Canadian cities now have large and supposedly reputable firms that advertise constantly that they make no extra charge for credit. Yet the man who goes into one of their stores and tenders cash is given a discount of about 15 per cent. in the case of one company. To advertise that credit costs nothing, when in fact the credit buyer pays more than the cash buyer is not far removed from fraud. It is surprising that daily newspapers, that make much of their supposed harshness towards fraudulent advertising, allow some of their biggest clients to fool the public in this manner.

TOO MUCH CASH FOR YOUNG

IS THERE not danger over-doing bestowal of gifts upon George Young? The public has lost its sense of proportion and is likely to ruin the character of a stalwart young hero.

Recognition of his great victory is something to be greatly commended, but it might have been better for Sir Edward Kemp, who so generously opened a subscription fund for him, to have used the money to commemorate the feat and to record it as an inspiration for young Canada of the future. Such a memorial could have taken the form, say, of a swimming instructorship at a civic bath-house or pool.

George Young does not need money. It is being showered on him by those who exploit sensations. But Canada needs something tangible to keep George Young's memory ever fresh.

FEWER COMPLAINTS NOW

SINCE the Western farmer has regained prosperity, we hear less of demands for extensions of the credit system of the country and for a change in the banking system. The Darby report to the Canadian Council of Agriculture, recommending small banks to provide farm credit, stimulated hardly a line or word of discussion. Wherever it reposes to-day, it is unwept, unhonored and decidedly no longer sung.

The situation seems to suggest that the farmers were trying to find the reason for their lack of prosperity and when a few agitators among their leaders told them it was the banks that were to blame, they believed it.

C. A. Bogert, general manager of Dominion Bank, made it clear this week that Canadian banks do not discriminate against the farmers. "In the case of this bank, our farmer customers are numerically our largest single class of borrowers," said Mr. Bogert.

Mr. Bogert referred also to the comparisons, unfavorable to Canadian banks, sometimes made with the unit bank system of the United States, and he took occasion, at the annual meeting of his bank this week, to quote a leading New York authority who said that the American "banking system in the agricultural sections is archaic. Small local banks lending farmers' money to farmers is a violation of every principle of the most elementary economics," also "the first principle of sound banking is diversification of the branches of trade served. The question of branch banking has become a very live one in the United States in recent years and advocates of the system are increasing."

Fortunately for Canada, its anti-bank agitation has been flooded out by prosperity.

DIRTYING CANADA'S NAME

ALTHOUGH Canada is badly organized to get the right kind of publicity in Great Britain, it is getting, and has been getting ever since the end of the war, the wrong kind of publicity. And of this wrong kind of publicity, nothing has been more malicious in its effect than the offering of crooked Canadian stocks. The Daily Mail, of London, which has spent considerable effort in exposing swindlers, lists ten companies that have been floated for the express purpose of fleecing the British public. These ten companies are:

Two Ontario gold mines,
Three Ontario silver mines,
Two British Columbia silver mines,
Two Alberta oil wells and
One American oil well.

Of the ten companies, nine are nominally Canadian and the reflex action of the swindling is to hurt every honest Canadian proposition. And in nearly every case, the swindling is not being done by Canadians, but rather by American stock crews—"dynamiters," as the Daily Mail calls them.

A brilliant young Canadian, now a successful business man in London, in commenting to The Financial Post on the situation, said: "These American share-pushers, in their attempts to fleece the British public, play on Canada's good will by marketing dud shares of supposed Canadian companies. The ordinary man of the street who can rarely tell an American from a Canadian, imagines these sellers of so-called Canadian shares to be Canadians."

And he asks: "What hope has Canada of attracting sound financiers so long as the present state of affairs exists?"

Canada needs a well organized publicity and press campaign in London, not only for positive work, but to offset the negative effect of the misuse of Canadian assets to fleece Britishers.

WORKMEN AND THEIR BOSSES

CANADIAN industrial leaders will be greatly interested in reading the report to be presented to the British government by the commission that toured this country and the United States to study relations between employers and labor. The report has not yet been published but should be a comprehensive summary of present day developments in industrial relations. The commission was headed by Sir William Mackenzie, who has studied industrial relations in Britain for the home government and who was in Canada during the commission's tour.

Industrial relations have shown tremendous improvement in recent years and the employer and the employee have found closer contact possible and valuable. Profit-sharing plans, benefit schemes of one kind and another, workers' councils and similar practical ideas have added touches of humanity to dollars and cents relations. And yet advance hints of the Mackenzie report indicate that they found much on this continent that suggested former days, rather than modern thought. The high labor turnover in many Canadian and American industries has made the commissioners wonder if the application of modern ideas was as widespread as we have been lead to think. It is not surprising that this is so. Human beings have not attained perfection; greed, distrust, laziness and bad habits generally have not been entirely squeezed out of the industrial fabric.

EDITORIAL NOTES

SURPLUSES in Quebec finances are not news.

* * *

GEORGE YOUNG arrived just in time to fill the yawning gap left in newspaper pages by Aimee McPherson's acquittal.

* * *

CANADA should be proud of having the largest and strongest forestry association in the world. The Canadian Forestry Association has 28,900 members.

Sees Danger of Combines Act Leading Canada Into Morass of Uncertainties

Administration of Act, as Exemplified in P.A.T.A. Decision Sharply Criticized by University Man, Who Compares Canadian, American and British Methods

By PROF. E. H. MORROW,
Head of Department of Commercial Economics, University of Western Ontario.

When the findings of the commissioner appointed to re-investigate the Proprietary Articles Trade Association are published, they will be of vital interest to that association and to the chain-store groups that oppose the P.A.T.A. Will they also attract the general attention that an investigation of this character warrants? Altogether apart from the merits of the particular case at issue, the findings of the commissioner will in great measure decide whether Canada is to follow British or American principles in applying the provisions of the Combines Investigation Act.

The preliminary finding of unhappy memory, issued by the registrar, differs materially from any of the reports which preceded it, and the influence which this document may have on the findings of future commissioners is a matter of serious concern to everyone interested in the operation of the Combines Act of 1923.

Guilty and Not Guilty

Whereas previous reports under the Act have reached conclusions based on relevant evidence submitted to the investigator, the McGregor findings were adduced in spite of the facts accumulated. Meagre as is the evidence, it led the registrar to the conclusion that the P.A.T.A. as yet has not unduly enhanced prices. And, in the teeth of this conclusion, the P.A.T.A. was adjudged guilty within the meaning of the Act.

After full allowance is made for lack of experience in the handling of evidence on the part of Mr. McGregor and his assistants, and for economic views which promote fearful speculation as to the future effect of trade associations, there remains the fact that the present legislation permits findings of an important character to be based on the philosophies of one or two individuals. It is a fact which minimises the question of price maintenance agreements amongst the members of a trade and which raises instead the fundamental issue of whether Canada, in her efforts to regulate her commercial affairs, is to follow the clear path adopted by Great Britain, or is foolishly to ignore the experience of her neighbor. Is Canada about to plunge into the viscose mess of legal entanglements out of which the Americans are feverishly trying to extricate themselves?

Costly Commissions In United States

Since about 1917 almost every year has witnessed the appointment of costly commissions and the gathering of conferences to investigate the situation produced in the United States by the Sherman and Clayton Acts. Every report is flooded with citations from the hundreds of cases which have arisen as a result of attempts by the courts to regulate trade practices on a basis of economic theory rather than on evidence of fact. Trials, appeals, counter-appeals, and legal argument, have so clogged the courts, that they are months in arrears with their cases. A recent report of the National Industrial Conference Board, in a general discussion running to 235 pages of ordinary print, cites about seven hundred and fifty significant cases and decisions. In the field of price regulation alone it refers to innumerable cases on each of the six major phases of price policy, viz., price determination, less-than-cost-selling, price discrimination, resale price maintenance, basing point price system, and guarantee against price decline. And so it goes! Is it any wonder that business men in the United States are in a maze of uncertainty, when, as asserted by Dr. Melvin T. Copeland, an exuberant salesman's wink, or an obtuse employee's letter, will make their employers subject to the heavy penalties provided by anti-trust enactments?

Startling Contrast In England

In startling contrast to the American situation is the method used in England for dealing with combinations harmful to the public weal; where speculative theories and terrorized imaginations are not permitted to determine important policies relating to the business of the country, and where fact is made the ground for restraining offenders against the interests of the people.

The difference in the points of view of Great Britain and the United States cannot be better expressed than by quoting from the report of Committee No. 6 to the National Distribution Conference in Washington:

"These, laws—the Sherman Act, the Clayton Act, and the Federal Trade Commission Act—were passed in order to control monopoly, maintain competition, and prevent restraint of trade; but your committee has felt it desirable to examine the legislation and court decisions of other countries, particularly those of Great Britain and the British colonies, which differ from those of the United States largely because their laws rest on a clear conception of 'public interest.' The study which your committee has given to this subject leads it to the belief that the term 'public interest,' and the maxim, 'Competition is the Life of Trade,' as used in the United States, have assumed a wider and different significance than were attached thereto in the district period when these phrases first took their place in the common law of England. In the centuries that have since elapsed, the greatly improved methods and means of communication and of transportation have greatly altered and affected the application of these phrases. This changed application has been fully reflected in the modern decisions of the courts of Great Britain, but have failed to find such reflection in the decisions of the courts of the United States, except that a tendency in this direction, as will later be pointed out, seems to have manifested itself in very recent decisions of the United States Supreme Court."

A Delicate Compliment?

It will be noted that reference is made to "the legislation and decisions of Great Britain and the British Colonies," and it is significant that later reference quotes from the Australian statute, while no mention is made of our own Combines Investigation Act. Perhaps this omission is a delicate compliment to our national aspirations on the part of gentlemen who hesitate to classify Canada as a British colony. More likely it is because our statute, with its "are likely to operate to the detriment of, or against the interest of, the public," is too much akin to American practice to afford the contrast required.

A study of the developments leading up to the present act shows that it never was the intention of parliament to depart from the principles of the common law. The provisions of the criminal code which, under ordinary circumstances, would apply to the prosecution of combinations inimical to the state, are difficult to set in operation. The Combines Investigation Act, therefore, is the last of several attempts to draft legislation which will make the prosecution of offenders easy—a necessary amendment to the law as it existed, except for the loop-hole which permits six members and employees of one competing firm to initiate untold trouble and expense for administrators, federal and provincial. But when the Act provides against the likelihood of offence in years to come, it leaves sound principles of law and opens a floodgate whereby cranks, faddists, theorists, and others of disgruntled nature, can harass the legitimate business of the country.

When the present legislation was before the House, the Hon. Mackenzie King made the point that there were combinations good and bad and that the purport of the bill was directed only at the latter. He said clearly that the act would not be a measure against unqualified combination. With these sentiments we are in hearty accord; but we venture to point out that in many minds mere combination is a heinous offence, and when minds of such type have scope to apply the existing statute the outcome will be conviction without regard to qualifications. The instance of the P.A.T.A. is a case in point. Here we have a business group-contract which without relevant evidence is condemned because the trade as a whole are parties to it. Yet, under court decisions, an exactly parallel situation brought about by numerous small group-contracts covering the entire trade would be perfectly legitimate. In its net result the McGregor report is a politico-legal declaration against combinations per se.

Whatever the language in the Combines Investigation Act of 1923, it behooves responsible opinion in Canada to see that established rules of evidence are not departed from. Otherwise, we shall have a flood of convictions based on assumptions as speculative and unwarranted as they will be derogatory to our commercial standards.

Canadian Business Already Burdened

Canadian business, already handicapped by heavy taxation and by the geographical and economic structure of the country, should not be burdened further by having to caper to the whimsies of people who convict on assumptions and likelihoods.

Hence, untimely as the terms of the act make the appointment, we welcome a lawyer as commissioner. While he can take advantage of the admirable enabling features of the statute, his professional training and experience will guard him against its absurdities. It should mean an investigation according to British and not American ideals.

Stock Market Transactions

Speed, Accuracy, Vigilance in clients' interests.

All Stocks All Markets

Cochran, Hay & Co., Limited
INVESTMENT BANKERS
TORONTO
Dominion Bank Bldg.
KITCHENER 58 King St. West
LONDON 202 Dundas Bldg.

J. STRATHEARN HAY
Member Toronto Stock Exchange

Investment Consultation

NO matter how small your available funds may be, we invite you to make an appointment with a member of our firm to discuss the investment of it.

By so doing you incur no expense and place yourself under no obligation to us.

Inquiries invited.

R. A. DALY & CO.
BANK OF TORONTO BUILDING
TORONTO
Members Toronto Stock Exchange

FLOOD, BARNES & CO.
LIMITED
Investment Bankers

INSURANCE EXCHANGE BUILDING
145 Notre Dame St. West
MONTREAL

GOOD judgment in formulating sales and advertising plans; that, plus experienced creative ability and the organization necessary to carry out thoroughly any work decided upon, is what I have to sell.

I have no magic potion to set the Thames on fire, neither do I strive to paint the lily. My conception of advertising is that of a selling force which, when properly used, will enable the advertiser to reach a given goal quicker and perhaps more economically than that same goal might be reached without advertising.

I get my revenue from the same source as all advertising agents. That is, the commissions I receive from publishers and others as a recognized advertising agency.

If you are of a mind to talk business, you'll find "Purkis is willin'."

Thornton Purkis
Sales and Advertising Counsellor

Northern Ontario Building, 330 Bay Street, Toronto 2, Telephone Adelaide 6222, and at 164 St. James St., Montreal.

Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published in this column. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply.

B.A. Oil

What is your opinion of British American Oil as a speculative investment, and what per cent. does it pay. Which is a better investment as a hold, British American Oil or Montreal Power?

The stock of British American Oil recently was split from one share par value $25 to four shares no par. The rate of return cannot be given, because the directors as yet have not declared any dividend on the new stock. The stock is firm and strong on the Toronto Curb market. It is generally regarded as a stock of speculative merit.

It is pointed out that the oil group generally has not participated in the bull market to the extent of other groups of securities. This, we believe, indicated lack of interest rather than lack of possibility in the issues.

Montreal Power is always attractive for a hold.

Canadian Canners

I will appreciate your opinion regarding preferred and common stock of Canadian Canners. Do you expect the preferred stock to continue to par now in present rise, and do you think they will pay the 7 per cent. this year, and arrears of dividends? I held some 300 shares and sold out around 64, but I believe I made a mistake, and am wondering now if to repurchase some, or is this a manipulation of stock like in B.C. Fish, by some group?

If the directors of Canadian Canners intend soon to increase the dividend rate on preferred on account of arrears, they are not telling anybody. We are informed that the company's earnings for 1926 have been very good. The stock has risen in value simply on the assumption that the report would be good. We are unable to predict with any degree of safety how far the present rise will take it.

The principal investment interests connected with Canadian Canners assert emphatically that they are in no way connected with the recent improvement in B. C. Fish.

Franc and Brooks

Do you think that the French franc is good for a little gamble, to buy now and hold for a rise? Do you think it will ever go back to par?

I hold twenty shares of Brooks Steamer. Do you think I should hold them to see what happens, or better sell with a loss?

Speculation in foreign currencies at best is very risky and should be participated in only by an expert. The French franc at present appears to be pegged, and there is the prospect that a stabilization loan will be floated shortly.

In our opinion prospects of dividends from Brooks Steam Motors are exceedingly remote. However, the company is expecting that it shortly will be on a production basis and is confident that it can find a market for its steam buses. As the sale of stock has virtually ceased, it is possible that the market value of the issue will be increased. This is only a guess, however, and we do not recommend Brooks Steamers as an investment.

Dr. A. W. Chase

I have been approached by the A. W. Chase Co. to invest some money in their stock (pref.). Would you be good enough to give me your view of this company, as to whether you consider this a sound investment?

Investment in the stock of the A. W. Chase Company has its attractions for a business man who is prepared to consider the risk surrounding the proprietary medicine business. The management of the company is experienced and aggressive. Certain of the company's products have long been on the market and there is a reasonably steady demand for them. The company recently has put on certain new products which are said to have been materially successful.

We are informed that many of the investors in this stock are druggists. This is a recommendation for the stock in some degree, although druggists more than persons in other lines of business, would be in better position to judge when to sell this stock if such a course ever should be deemed advisable. However, there is no reason to predict that selling out ever would be advisable.

Massey Harris, Etc.

I purchased a few thousand shares of Millcrest Silver stock at 18c. Do you think it has any chance to come back to that figure? I have Massey Harris common. Do you think it will go higher? What caused the sudden drop in B.C. Fish and do you consider it a good buy at the market? Would you please tell me, in your opinion, the most likely looking buy on the standard mining exchange.

We believe there is a secret shaking up taking place in Millcrest which should work out beneficially. Operations will likely resume in the spring. It looks to have a good chance. The poor silver market is a depressing factor.

The value of investment in Massey-Harris should increase. The company is doing very well and probably will do better under its existing excellent management.

B. C. Fish stock has behaved so erratically on the markets recently that it behooves all conservative investors to stay away from it.

The only investments there are on a standard mining exchange are the mines which actually are paying dividends and producing metal. Other issues in the embryonic or development stage are all speculative.

Imperial Bank

Two or three years ago I bought two shares of Imperial Bank at $175 each. To-day this stock is worth approximately $220, or a profit of $90 on the two. Would you advise selling and re-investing in a stock like Montreal Power or something similar?

Your Imperial Bank stock at the present market value is yielding approximately 5 per cent. If you take this money out and invest it in some other stock, say Montreal Power or other utility, you may not at the moment be able to get a higher rate of return on your investment.

The chances of appreciation in value being perhaps somewhat greater in utility or industrial stocks than in bank stocks at the present time, possibly the switch appears attractive to you. Montreal Power Consolidated at the moment does not yield a high rate of return and the stock was split only last year. There will undoubtedly be appreciation in values in this issue but at the existing price it does not appear to be a bargain from an investment viewpoint. But bargain or no bargain it is an excellent stock. If you contemplated investment in a preferred or common stock of a semi-speculative nature, Page Hersey or Steel of Canada are recommendations.

Metropolitan Building

What is your opinion of the 7 per cent. bonds of Metropolitan Building?

The 7 per cent. first mortgage bonds of the Metropolitan Building are a reasonably safe investment. We are given to understand that during the past year the company earned from rentals approximately $260,000. From this amount must be deducted $70,000 carrying charges, which will leave earnings of $190,000. From this again interest requirements should be taken, amounting to $70,000, which shows that the earnings at the present time on the Metropolitan Building amount to approximately two and one-half times interest requirements.

Algoma Steel Bonds

A customer has enquired concerning Algoma Steel Bonds, due 1962, and not having the necessary information available, I turn it to you.

He is particularly interested in the point of guarantees of the interest on the bonds and the prospect of appreciation in the course of a few years.

The bonds of the Algoma Steel Corp. are guaranteed unconditionally both as to principal and interest by the Lake Superior Corp. The Lake Superior Corporation is a holding company for the Steel Corporation. The Algoma Central and Hudson Bay Railway, The Algoma Eastern Railway Company and the Algoma Central Terminals as well as two mines.

The bonds due in 1962 are secured by a trust deed in favor of the United States Mortgage and Trust Company as trustees, constituting the bonds a specific first mortgage on the plant and property of the corporation and a general floating charge on the assets and undertakings of the corporation, subject as to part of the plant and property to a prior charge of $5,800,000. This $5,800,000 is the entire issue of so called purchase money bonds which are due in 1944. The sinking fund for the redemption of the 1966 bonds accrues from July 1, 1919.

Several authorities whom we have consulted recently regarding the outlook for the Algoma Company agree that everything is not satisfactory. The 1926 report was an improvement over 1925 but there are serious difficulties yet to be overcome.

Can. Associate Companies

As several inquiries have been received regarding Canadian Associate Companies, and its offering of 7 per cent. preferred stock, the following somewhat extensive review is given.

Canadian Associate Companies has recently enlarged its capitalization and the scope of its investment. It now controls three companies in the insurance field: Toronto Casualty, Fire and Marine Insurance Company, Canadian General Insurance Company; and Merchants' and Employers' Guarantee and Assicdent Company.

The holdings of Toronto Casualty stock amount to about one-third of the outstanding shares. This does not represent absolute control but may be regarded as effective control. Toronto Casualty has made quite remarkable progress since its organization six years ago. It has passed through its most difficult period, the first five years, during which it has shown some considerable initiative in introducing new forms of policies, and seems to have reached the point where its future operations will begin to reap some returns for the shareholders. The year 1926 was not very satisfactory for the company. Business showed considerably increased volume but the company reorganized its balance sheet and this brought out the results of the difficult period it has gone through. However, the officers forecast good results from now on and their forecasts should be fulfilled.

Canadian General Insurance Company is a reorganization of the former General Animals Insurance Company. Since being taken over by the group behind Canadian Associate Companies, it has extended the scope of its activities and proposes to add fire insurance to the casualty lines it now writes. Canadian Associate Companies holds about 90 per cent. of the stock.

Merchants and Employers Guarantee and Accident Company is a company that formerly operated only in Quebec but is broadening out under the new control. When taken over, it had an impairment in its capital but this has been made good and the company is proving to be a profitable investment. We are informed that it earned about 30 per cent on its stock last year. Canadian Associate Companies owns 51 per cent. of its capital stock.

After having acquired this group of companies, Canadian Associate Companies had about $40,000 of its $1,000,000 authorized preferred stock outstanding. It is now proposed to issue an additional $300,000 proceeds from which will be used to purchase further shares in the three subsidiaries giving them cash for expansion. It is this new issue that is now to be offered to the public. The firm of A. B. Taylor and Company, Toronto, is making the offering.

The preferred is a 7 per cent. stock and is offered at par with a 40 per cent. bonus of common shares; that is, four shares of common shares of no par value are offered with ten shares of preferred of $100 par value.

Canadian Associate Companies will obtain its revenues chiefly from the dividends to be paid by its subsidiaries. None of the subsidiaries are on a regular dividend basis, although dependent dividends have been paid from time to time. However, Canadian Associate Companies has a revenue from its adjustment business, which officers state should be sufficient to pay the preferred stock dividends.

The company is largely a holding company and as such its future is dependent upon the future of the three insurance companies it controls. Considering the aggressive management and excellent directorate these companies and the holding company have, we would consider that the prospects are good. Over a term of years the common shares, now being given as a bonus, should acquire some considerable value.

After all the best guarantee the prospective shareholder in the company has is the type of directorate provided. J. H. Fortier, president, is an able, earnest and reliable business man. The other directors, W. W. Evans, Col. Ackerman, J. T. Braund, J. O. Linteau, M. A. Mackenzie, G. Larratt Smith, A. E. Dawson, and C. E. Taschereau, are all well regarded.

Clarendon Apartments

Re Clarendon Apartment Bonds, can you advise if you consider these well secured? Do they, in your opinion, represent 7 per cent. with safety. I do not note in the prospectus any bonding company's guarantee that the construction will be completed. Has this been provided for?

Clarendon Apartment bonds are sponsored by Worthington, Savage & Co., and J. A. G. Clarke & Co., and are first mortgage twenty year sinking fund bonds on the Clarendon Apartments to be erected in Toronto during the present year. The Guarantee Co. of North America have issued to the company a surety bond.

The apartment house situation in Toronto at present is not of the best. The majority of people live in their own homes, or in detached or semi-detached houses. While there is a tendency to move into apartments, many people feel that apartment house construction has gone as far as it should for a while.

The company has allowed for a certain number of vacancies and provided rentings come up to their expectations, there is no reason why they should not be able to meet bond interest requirements when they fall due.

One Man's Investments

I am enclosing you a memo of bonds, also a few stocks, and will be very much obliged to have your advice on them.

I note that you usually recommend the holding of a certain amount of government and municipal bonds, and I have had some of those, but changed them for bonds giving a better yield, as I found the government and municipals would hardly cover my expenses. I will change some of what I have if you advise it.

5 shares International Power Co. pref. 7%.

5 shares Int. Power Co., pref., as bonus No par. Don't know of any quotation on these.

15 shares Canadian Locomotive Common. Cost $82.25 when paying 8% since passed, so must hold till it improves.

5 shares Monarch Knitting Co. pref. Cost $85.25, but has since passed dividend, but now working back.

5 shares Twin City Rapid Transit Co. Cost $97.25 when paying 6% and at its best.

10 shares Twin City Rapid Transit Co. Cost $59.25. Bought this in order to aver. cost.

10 shares Goodyear Tire & Rubber Co. Cost $97.50. Bought when issued.

5 shares Gunns Ltd., pref. Cost $96.00. Don't know what to do with this?

55 shares Brompton P. & P. Co., common. Cost aver. $87.00. Don't know what future is to this; now paying 2 per cent.

30 shares Caanda Steamship Lines, pref. Cost aver. $72.70. Exchanged 25% of old for 30 new and it is apparently working out right if coming statement is good.

15 shares National Grocers Pref. A. Cost $100.00, paying 8 per cent.

10 shares Alberta Pacific Grain Co. Pref.
10 shares Alberta Pacific Grain Co., com. Cost $100.00. The com. and pref. together shows a margin of profit, at present.

Name of Security	Per cent. Div.	Maturity	Denomination	Cash price
1 Bond State of Sao Paulo U.S. Brazil	7 %	Sept. 1, 1956	$ 500.00	$ 96.50
5 Bonds, Northern Ontario Bldg. ...	6½%	Oct. 1, 1939	2,300.00	98.50
1 Bond, Gatineau Power Co.	5 %	June 1, 1956	1,000.00	....
1 Bond S. F. Deb., Gatineau Pr. Co.	6 %	June 15, 1941	1,000.00	....
1 Bond Argentine Nat. (External) ..	6 %	Oct. 1, 1959	500.00	99.50
1 Bond, U. S. of Brazil (External) ..	7 %	June 1, 1952	500.00	95.75
1 Bond Int. Power Securities Corp. ..	6½%	Dec. 1, 1955	1,000.00	93.75
2 Bonds $1,000 each Quebec Apart.	6½%	July 1, 1940	1,000.00	99.00
1 Bond, Manitoba Paper Co.	6½%	April 1, 1945	1,000.00	96.83
1 Bond, The Pedlar People (Serial) ..	8 %	Jan. 1, 1932	1,000.00	105.46
1 Bond, Gartshore Pipe & Fdy. Co. ..	6½%	July 1, 1944	1,000.00	100.00
1 Bond, Ritchie & Ramsay Co., Ltd.	7 %	Oct. 1, 1944	1,000.00	101.00
1 Bond, The Assoc. Electric Co.	5½%	April 1, 1946	1,000.00	95.25
1 Bond, Brompt. P. & P. Co. (Ser.A)	6 %	Sept. 1, 1946	500.00	99.75
1 Bond, The Berkley Cartaret H....	7 %	March 1, 1940	500.00	100.00
1 Bond The Fort William Paper Co...	6 %	May 1, 1946	1,000.00	98.50
1 Bond, The Devonshire Apart.	6½%	Oct. 1, 1933	1,000.00	*100.56
1 Bond, Brompton P. & P. Co. (Series A)	6 %	Sept. 1, 1946	500.00	99.75
1 Bond, The Dorset (Serial)	6 %	July 1, 1941	500.00	*100.00
1 Bond, Broadway & Barclay Of. B.	6 %	Feb. 1, 1941	500.00	*100.00
1 Bond, The Vancouver-Georgia H. ..	6½%	June 1, 1942	1,000.00	*100.00
2 Bonds, $1,000 ea., Gurney H. Mfg. Co	6 %	Nov. 1, 1941	1,000.00	....
1 Bond, Canada Steamship Lines, Ltd.	6 %	Oct. 1, 1941	500.00	97.00
1 Bond, U. S. of Brazil (External) ..	6½%	Oct. 1, 1957	1,000.00	90.00
1 Bond, Rep. of Chile (External) ..	6 %	April 1, 1960	1,000.00	93.25
1 Bond, The Park Lane Corp.	6½%	June 1, 1943	1,000.00	100.00
3 Bonds, $100 ea., Woodward Apart.	8 %	April 1, 1932	100.00	100.00
1 Bond, London Realty Co.	6½%	Oct. 1, 1941	1,000.00	....

*Straus Bond.

Your investment in bonds is really over-diversified. As we see it, you appear to have gone rather strongly in for South American Republics and real estate bonds. The South American Republics may be fairly well stabilized, but it is well to remember that the political conditions sometimes change on very short notice and may at one time or another affect the credit of the country.

Realty bonds at this time need to be scrutinized carefully because authorities are reaching the conclusion that the shortage in office buildings and apartments prevalent a few years ago has been overcome in most cities. If the supply exceeds the demand, earnings of these properties must come down. The consequence is a reduction in the equity behind the bonds. This is a note of caution rather than of criticism, especially as we observe that some of your realty bonds are of a company which has been singularly and fortunately free from losses over a long term of years.

You have not been so fortunate with your stocks, but it would seem that there will be an appreciation of values within the next year or two. The outlook for Canadian Locomotive is improving. Monarch Knitting is slowly working back into a better position, and Twin City Rapids earnings are better than they have been for some time. With regard to Gunns, Limited, all that any investor can do is to await events. It is probable that something will develop in this stock very soon.

FOLKS and Finance

MAYOR RALPH WEBB, of Winnipeg, has been doing some explaining. He attended a municipal convention and was reported in a pseudo-official account of the proceedings as remarking that the western farmer was no better than a sewer-digger. Of course, the word went west and the farmers passed resolutions condemning the mayor. Webb then replied that he had been misreported. He had said, he protested, that the western farmer was no "better off" than a sewer-digger. This made it entirely different because his statement then became an expression of sympathy rather than an insult, as the farmers thought it was. Now the mayor of Winnipeg wants a law passed requiring newspaper reporters "to report right."

Any experienced newspaperman can vouch for the fact that public men owe as much to reporters for correcting what they say as the reporters owe them an apology for misreporting them. Any public man who speaks extemporaneously on many different subjects is certain to make statements that he would not make after careful preparation. Good reporters know this and often report what they know a man means to say when what he does say is something different.

Once Sir John A. Macdonald delivered a campaign address in which he made a number of unfortunate remarks. A reporter present took down what he said, wrote an accurate report and then showed it to Sir John, asking him if he wanted to make any changes. Sir John glanced over the "copy" and then looked down at the reporter and said, sternly, "Young man, you should always be sober when you try to report a meeting."

But he changed the report.

RSE INVESTMENT SERVICE

International Power 7% Preferred

A sound investment in a Canadian company controlling the following public utility properties in South and Central America and Newfoundland:—

Bolivian Power Company, Limited
San Salvador Electric Light Company
Venezuela Power Company, Limited
Demerara Electric Company, Limited
Newfoundland Light and Power Co., Limited

These companies supply electric light and power, under favourable conditions, in important centres of commercial and industrial development; serving a total population in excess of 450,000.

Geographical distribution of properties makes for stability of aggregate earning power. Earnings available for dividends are steadily increasing.

Interesting particulars regarding International Power Company, Limited, and its 7% Preferred Shares will be forwarded to investors upon request.

Royal Securities Corporation
LIMITED
164 St. James Street, Montreal
Toronto Halifax Saint John Quebec
Winnipeg Vancouver New York
J11

INVEST YOUR SAVINGS
in a 5½% DEBENTURE of The Great West Permanent Loan Company
5½% Interest Return
SECURITY
Paid-up Capital $2,414,663.00
Reserves 1,100,000.00
Assets 6,184,420.00
HEAD OFFICE, WINNIPEG
Branches: Toronto, Regina, Calgary, Edmonton, Vancouver, Victoria, Edinburgh, Scotland.

Woods Manufacturing Company, Limited
Jute and Cotton Bags
Hessians, Buckrams
Paddings and Twine
Tents
Flags
Tarpaulins
Clothing and Cotton Fabrics
FACTORIES AT MONTREAL, TORONTO, OTTAWA WINNIPEG, WELLAND
HEAD OFFICE: MONTREAL

STEWART, SCULLY CO.
LIMITED
Telephone: ADelaide 1136, 10th Floor, Royal Bank Building, Toronto, 2.
President, J. F. M. Stewart Manager, H. D. Scully
Secretary, N. S. Jarvis
DIRECTORS:
T. A. RUSSELL— President, Russell Motor Car Co., Ltd.; Director, Canadian Bank of Commerce.
H. B. SMITH— President, Collingwood Shipbuilding Co., Ltd.; Director, Canada Steamship Lines, Ltd.
F. BARRY HAYES— President, Toronto Carpet Mfg. Co., Ltd.; Director, Toronto General Trusts Corpn.
Government, Municipal, First Mortgage and Corporation Bonds

NEW EDITION
The Greenshields Catalogue
The new 6th edition of the Greenshields' Catalogue of 50 leading Canadian Securities.
A ready reference and reliable guide for careful investors, it gives all the authoritative and most recent information as to each security that a buyer would require. Invaluable in selecting a suitable medium for the employment of investment funds.
Copy will be mailed free on request.
Write for Catalogue 4
Greenshields & Co
17 St. John St., Montreal
also Mount Royal Hotel Building
TORONTO 14 King Street E.
OTTAWA 46 Elgin Street
QUEBEC 80 St. Peter Street
61

City of Montreal
Twenty-Year 4½% Gold Bonds
Dated February 1, 1927
Due February 1, 1947
Principal and half-yearly interest (1st February and 1st August) payable in Montreal or New York. Bonds may be registered as to principal.
Denomination: $1,000.
Price: 97.43 and Interest, Yielding 4.70%
Orders may be telephoned or telegraphed at our expense.
Wood, Gundy & Company
Limited
Toronto Winnipeg London, Ont.
36 King Street West Toronto Telephone: Elgin 4321
Montreal New York London, Eng.

News of Investment Markets

Republic of Haiti
(U.S.A. Customs Administration)
6% External Bonds
Due October 1, 1952

These bonds are a first charge on Customs and Internal Revenues subject to only 5% for U.S. administration. An excellent long term government obligation, payable in New York funds. Circular on request.

Price at market to yield about 6.00%

The National City Company
Limited
Head Office—St. James and St. Peter Streets—Montreal
10 King Street East TORONTO | 204 Blackburn Building OTTAWA | 71 St. Peter Street QUEBEC 186

We are pleased to announce that

EDWARD M. ECHLIN

has become associated with our Bond Department as of January 17th, 1927.

W. H. DENTON,
MGR. BOND DEPT.

BROUSE, MITCHELL & CO.
MEMBERS TORONTO STOCK EXCHANGE
227 BAY STREET TORONTO

FARM LANDS
General Agents for:
CALGARY AND EDMONTON LAND CO., LIMITED
CANADA SASKATCHEWAN LAND CO., LIMITED
WINNIPEG WESTERN LAND CORPORATION
OSLER, HAMMOND & NANTON
LIMITED
WINNIPEG

OSLER & HAMMOND
F. G. OSLER *G. T. CHISHOLM*
H. F. MARRIOTT *H. FRANKS*
Stock Brokers and Financial Agents
Members { *Toronto Stock Exchange* / *Montreal Stock Exchange*
21 JORDAN STREET, TORONTO

Municipal Bankers
BOND AND SALES CORPORATION, LIMITED
Dealers in
Canadian Government, Municipal and "Dollar for Dollar" Bonds
CORRESPONDENCE INVITED
34 KING ST. EAST, TORONTO
Sir John Willison, Kt., LL.D. President | Sir William Hearst, K.C.M.G. Vice-President

We are in the market at all times for
British Columbia Municipal Bonds
British Columbia Bond Corporation, Limited
H. E. Boorman, Managing Director
VANCOUVER, B. C. VICTORIA, B. C. NANAIMO, B. C.

Lougheed & Taylor, Limited
Calgary, Canada
Bond, Insurance, Estates, Farm Lands, Appraisals
We are well informed on the oil situation.

CANADIAN GENERAL INVESTORS' TRUST COMPLETES PLANS

Formed Along British and American Lines to Serve Canadians

Organization has been completed of the Canadian General Investment Trust, and an offering of $2,500,000 of stock will shortly be made to the public by the Canadian General Securities, Ltd. Capital structure consists of 100,000 common shares, par value of $100 each.

Although the investment trust is not so well known in this country, it has achieved considerable success in the United Kingdom over the past fifty years. The relative steadiness of earnings and dividends during troublous times of war or periods of business depression, owing to the geographical distribution and diversity of investments, has brought this type of trust into popularity among people more interested in securing a steady income, rather than expecting quick returns through market appreciation of securities held.

Regulations Given Investments

This has been the principle of the outstanding Scottish and English companies and it is along these lines that the newly formed Canadian General Investment Trust will function, according to its sponsors. Regulations have been adopted and embodied in the charter of the company, which provide for diversification, for security of the investment, and for constant supervision of holdings.

Among these regulations are the following:

The corporation shall at all times keep at least 50 per cent. of its entire resources invested in such investments as are authorized for the investment of the funds of a life insurance company.

Not more than 25 per cent. of the resources of the company may be invested in securities of any one of the following classes: (a) banks, (b) insurance companies, (c) investment companies, (d) public utilities companies, and not more than 12½ per cent. of the resources of the company may be invested in the securities of any other distinct class of business or industry.

Not more than 5 per cent. of the total resources of the corporation may be invested in any one security except government, provincial or municipal obligations, provided the uninvested funds of the corporation may from time to time and to the extent thereof, be placed on call or short (not exceeding 60 days) loans on bonds, debentures, stocks or other immediately saleable securities of a sufficient realizable value to cover.

At least 75 per cent. of the investments of the corporation in securities issued by railroads, public utilities and industrial companies shall at the time of purchase have the following book value as compared with the purchase price: (a) bonds 150 per cent. or more; (b) preferred shares 125 per cent. or more; (c) common shares 100 per cent. or more.

The corporation shall, within six months after its resources aggregate $5,000,000 dollars, and thereafter at all times own at least four hundred different marketable securities.

Securities owned and ascertained to be no longer eligible under the provisions thereof, shall be sold within one year from such date.

The corporation may underwrite issues of securities eligible for purchase to an amount not exceeding in any case twice the amount of such securities which may be purchased for investment, but in no case to an amount exceeding 10 per cent. of its total resources, and the total liabilities incurred in underwriting commitments shall not at any one time exceed 25 per cent. of the total resources of the corporation.

No cash dividend in excess of 8 per cent. shall be paid on the common shares at any time outstanding unless and until there is set aside a sum equal to 12½ per cent. of the net earnings as a special dividend reserve. This special dividend reserve fund shall accumulate until it equals 50 per cent. of the par value of the common shares outstanding. When the special dividend reserve has reached 50 per cent. of the par value of the common shares outstanding, the restriction on dividends shall not further apply except no dividend may be declared which shall have the effect of reducing the special dividend reserve fund below the 50 per cent.

Securities Company to Manage

Management service and investment counsel will be provided by the Canadian General Securities, subject to the supervision of the board of directors. In respect of management of Canadian General Investment Trust special safeguards are provided both as to supervision and responsibility. Furthermore, should the directors disapprove of any security purchased by the management since the previous meeting, the management shall be obliged to take over such security and recoup the company the entire purchase price within thirty days.

Special care will also be taken to see that the trust does not secure at any time control of any company in which it holds securities. This follows the practice laid down by the British investment trusts.

Supervision of the company's operations will be under the control of an active board of directors assisted by an advisory board, composed of the following members: Rt. Hon. Arthur Meighen. Hon. Wallace Nesbitt. Prof. M. A. Mackenzie, J. Stanley McLean. R. C. Mathews, and W. W. Evans, all of Toronto, and R. T. Evans, of Winnipeg; J. H. Fortier, Quebec; A. R. Mann, Vancouver; J. H. Woods, Calgary, and Angus McLean, Bathurst.

Ore Receipts at Trail

Ore receipts at Trail Smelter of the Consolidated Mining and Smelting Company of Canada, Limited, from Jan. 8 to 14, inclusive, and from Jan. 1 to date, in tons, are as follows:

Company's mines	7,441	17,014
Other mines	3,797	7,899
Total	11,238	24,913

Change at Toronto Bond

Stock department of Toronto Bond Exchange has been taken over by the new investment firm of W. H. de Udy & Company.

Mr. de Udy, the head of this firm, has been in charge of the stock department of the Toronto Bond Exchange for the past eighteen months. Previous to that, Mr. de Udy had considerable experience on the continental exchanges. The new firm will specialize in listed and unlisted securities and will maintain board room and ticker services.

Open Fort William Branch

Geo. W. Matthews & Company, stock brokers, of Port Arthur, Ontario, announce the opening of a branch office and board rooms in Fort William. This firm, which has wire connections with Stobie, Forlong and Company, Toronto, deal in listed and unlisted stocks, and have sponsored industrial financing in Port Arthur.

Off to the South

COL. HENRY COCKSHUTT.
President of Cockshutt Plow Co., who is going to South America on a business and pleasure trip. This interesting sketch is from a portrait on the menu card of the recent banquet tendered Col. Cockshutt in retiring from Ontario's lieutenant-governorship.

CANADA MACHINERY PROSPEROUS AGAIN

Payroll at Galt is Twice the Size of Any Recent Year; Still Growing

Canada Machinery Co., Galt, is regularly employing more than 200 men and it is expected that the payroll shortly will be increased by 50 per cent. Until recently, Canada Machinery had no more than 100 men on its payroll at any time in five years.

The marked improvement is attributed primarily to the enhanced prosperity in Canada. The company is benefiting also from the fact that the railways are placing orders for equipment, and other steel companies which sell to railways are buying new tools and machinery in order to fill their orders.

The competition which Canada Machinery Co. has to meet originates in the United States, where factory methods are the same as in Canada. English and European competition, despite lower tariffs, will not be a serious factor until overseas manufacturers adopt American methods. Canada Machinery Co. has little hope of building up an export market until, say, the Australian factories are operated on American, rather than European principles.

No Arrears to Meet

The preferred stock of Canada Machinery Co. is non-cumulative, so that there are no formidable arrears to be dealt with before the financial situation is cleared up. There is said now to be a substantial reserve in the treasury, but that no dividend will be paid this year.

This company has suffered severely since 1920. Its troubles were due to competitive conditions and the general depression in Canada. Those acquainted with the conditions affecting the company have been blaming the government for lack of sympathetic feeling for a home industry. The government is not yet absolved in these quarters, but where extreme pessimism prevailed not so long ago, there is now a feeling that prosperity for the shareholders can be achieved in spite of the tariff.

M. J. Patton Joins McLeod, Young, Weir

M. J. Patton, of the federal department of finance, is to become associated with McLeod, Young, Weir & Company. Mr. Patton is a well-known Canadian economist and prior to going to the department of finance was economic adviser of the Commission of Conservation under Sir Clifford Sifton, later occupying the same position in the Natural Resources Intelligence Service of the Department of the Interior. He was formerly engaged in newspaper work and is an honor graduate and gold medallist in economics of Queen's University.

Two years ago, Hon. James A. Robb brought Mr. Patton over to the department of finance as assistant tariff commissioner. In that capacity he was occupied on the famous Robb budget of 1926, and lately has been engaged in the economic investigations underlying the trade agreements with foreign countries recently concluded and now under negotiation.

Mr. Patton is the author of a number of publications on financial and economic subjects.

Another Brewing Company Offers Shares Publicly

From Our Own Correspondent.

MONTREAL.—Following the recent liquor legislation in Ontario, yet another brewery, the Lake Ontario Brewing Company, of Kingston, is to offer its securities to the public. The investment houses of Bruneau and Rainville and J. M. Robinson will shortly offer the shares. It is anticipated that the offering of stock will be made along lines similar to the several recent brewing and distilling offerings which have proved so popular with investors.

The Lake Ontario Brewing Company has completed the sale of its assets to the bankers who initiated the deal for, it is said, a sum of $450,000. The present name of the company will be retained, and it will continue to be operated by the same management as formerly, carrying on under the same president and managing director. The stock offering will be made almost immediately.

RAILWAY EARNINGS

Canadian Pacific

Week end:	1927	1926	Change
Jan. 21	$3,148,000	$3,105,000	+$ 43,000

Canadian National

Week end:	1927	1926	Change
Jan. 21	$4,623,943	$4,355,868	+$268,074

VERSAILLES-VIDRICAIRE-BOULAIS - LIMITED
Investment Bankers
MONTREAL QUEBEC
Quebec Municipals and Industrials a Specialty

ROWNTREE'S PLACE ISSUE IN STATES

A bond issue of $1,000,000, part of an authorized issue of $2,500,000, of the Rowntree Co. of Canada, has been sold to the Manufacturers' Trust Co., of New York, and James H. Causey & Co., Inc., of Denver. This is a first mortgage issue, the bonds bearing 6 per cent. and unconditionally guaranteed by the parent company in England.

Some disappointment has been expressed by dealers in that the issue did not come to this country, as it was expected that, being a new Canadian enterprise, part, if not all, of the financing should be done in the Dominion. It is understood, however, that a small block of the present issue will be placed in Canada.

The scope of the company obtaining the loan also lends unusual interest to the present transaction. The English Rowntree Company was founded first as a retail concern in York in 1725. Through acquisitions and extensions of its lines throughout the British Empire it now compares with the great American confectionery and chewing gum industries.

International Power Securities Sells Bonds

From Our Own Correspondent

MONTREAL.—A syndicate headed by Aldred and Company and Harris, Forbes and Company, and including U.S. banking houses, is offering a further issue of bonds of the International Power Securities Corporation.

The present issue is series F. Former issues have been made by the corporation and have been secured by specific mortgages on properties which the International Power Securities owns or controls. The bonds are also a direct obligation of the International Power Securities Corporation.

The particulars of the present issue of series F. follows:

$600,000
International Power Securities Corporation
7 per cent. secured bonds, series F.—dated January 15, 1927, due January 15, 1952.

The company: Organized to acquire securities of leading light and power companies throughout the world. The subscribed capital stock is $5,000,000, of which $2,500,000 has been paid up. In addition to the present issue, the company has outstanding $30,786,000 in bonds and notes which are secured, like the present issue, by specified properties.

Security: The present issue is direct obligation of the International Securities Corporation and is secured by a closed first mortgage on the Adamello General Electric Company, and a mortgage on one of its subsidiaries, the Ozola Hydro-Electric Company. The plants covered by the mortgage have a reproduction value after liberal depreciation of $17,000,000.

Sinking fund: Will be sufficient to retire all series F. bonds by maturity.

The Italian Company: Does only a small retail business but sells power to several of the most important electric distributing companies north of Rome. Over 380,000,000 kilowatt hours were sold by the Adamello System during the past year.

Earnings: Available for interest were over two and a half times the annual interest charges on the total funded debt to be outstanding upon completion of this financing.

Offered: January, 1927, by a syndicate headed by Aldred and Company and Harris, Forbes and Company at 95½ to yield 7.4 per cent.

A GUARANTEED FIRST MORTGAGE BOND
Border Cities Co.,
Limited
7%
First Mortgage Sinking Fund Gold Bonds
Maturity, 5 to 10 years
Denominations, $1,000, $500 and $100
Descriptive Circular on request.
BOND DEPARTMENT
Border Cities Company,
Limited
605 C.P.R. Building
TORONTO

FOREIGN SECURITIES
We are active in all foreign issues.
Ask for quotations.
Have your name placed on our mailing lists.
EUROPEAN DEBENTURE CORPORATION, LTD.
120 St. James Street, Montreal

The High Rating of Power Securities

Electricity is daily becoming a more formidable competitor of other sources of power which, until recent years, had been considered in an impregnable position because of their cheapness.

In pace with the growing use of electricity, the securities of power companies have been steadily rising in the estimation of experienced investors, until they now occupy a place second only to Government securities.

Let us furnish you with details of two highly desirable power investments.

JOHNSTON AND WARD
14 King St. East, Toronto
Members { Montreal Stock Exchange / Toronto Stock Exchange / Montreal Curb Market / Winnipeg Grain Exchange / Chicago Board of Trade

Province of Ontario
4½% Gold Bonds
$100,000
due 15 January, 1943
Price 97.77 to yield 4.70%
$100,000
due 15 January, 1952
Price 97.80 to yield 4.65%
MATTHEWS & COMPANY
LIMITED
Bond Dealers
255 Bay St., Toronto

MURRAY & COMPANY
Specializing in Government, Municipal and Corporation Bonds
METROPOLITAN BLDG.
ADELAIDE 6077-78 TORONTO

GOVERNMENT and MUNICIPAL BONDS
W. L. McKINNON & Co.
GOVERNMENT AND MUNICIPAL BONDS
McKinnon Bldg. TORONTO.

Calgary, Alberta
Stocks, Bonds, Grain & Oil Leases
Carlile & Farr Ltd.
Private wire to all markets.
Correspondents of Osler & Hammond.

McDonagh Somers & Co.
Government and Municipal Bonds
Dominion Bank Building
TORONTO
Canada

7% with Safety and Profit

Send for our special circular describing the 7% Cumulative Preferred shares of a well established and growing

Public Utility Co.

operating in Canada and the United States which we are offering at par with a Common Stock bonus.

H. B. **ROBINSON** & Co. Limited
Investment Bankers
53 King St. West TORONTO ELGIN 1224 | 136 St. James Street MONTREAL MAIN 8542

K. H. Kompfe & Co.
LIMITED
Investments
330 Bay St. Toronto *Adelaide 3331* | Dom. Savings Bldg., London *Telephone 8077*

Roberts-Cameron
& COMPANY, LTD.
Government and Municipal Bonds Listed Stocks
Northern Ontario Bldg.
AD. 3486-7-8 TORONTO

HURON AND ERIE PLACES $500,000 TO RESERVE FUND

Re-Valuation of Canada Trust Enables Step to Be Taken

Huron and Erie Mortgage Corporation has taken a notable step in adding $500,000 to its reserve fund in one year. Of this amount, $123,920 came out of surplus earnings of 1926. The balance was derived from a revaluation of the company's holdings of stock in the Canada Trust Company. Reserve now stands at $2,350,000, which adds to capital of $5,000,000 and undivided surplus to bring total security to clients to $7,430,000.

In explanation of the revaluation of Canada Trust stock, it is pointed out that this follows the decision made by the directors last year to carry the corporation's stock at a figure commensurate with its real value. Since 1901, when the first purchase was made of this stock, the corporation has carried the asset from year to year at actual cost without regard to its real value. Now that the Canada Trust Company has a reserve fund equal to 75 per cent. of its paid-up capital and pays a 10 per cent. dividend, the directors have decided to take the investment into the accounts of The Huron & Erie at $160 a share. This is the valuation placed thereon by the Department of Insurance at Ottawa.

Earnings Much Higher

Earnings for 1926 were $574,014, which is $1,200 higher than in 1925. Comparative figures follow:

Profit and Loss

	1926	1925	1924
Profits	$574,014	$572,815	$571,914
Taxes	45,573	60,068	57,677
Premises	15,000	15,000	13,000
	$ 60,573	$ 75,068	$ 70,677
	$513,441	$479,747	$501,237
Distribution—			
Dividends	$375,000	$375,000	$375,000
Reserve	123,920	100,000	100,000
Balance	$ 14,521	$ 22,747	$ 26,237
Prev. bal.	74,685	51,938	25,701
P. & L. bal.	$ 89,206	$ 74,685	$ 51,938

Twelve Years' Record

	Paid-up Capital	*Net Profits	Div.	% Prof. av. Cap.	†Earn Rate
1926	$5,000,000	$513,441	7½	10.2	6.9
1925	5,000,000	497,747	7½	9.9	7.2
1924	5,000,000	501,237	7½	10.0	7.4
1923	5,000,000	500,458	7	10.0	7.5
1922	5,000,000	521,482	7	10.5	8.0
1921	5,000,000	531,444	6+1	10.6	8.4
1920	5,000,000	505,943	6+1	10.1	8.2
1919	5,000,000	496,737	6	9.9	8.2
1918	2,500,000	452,493	12	18.0	8.0
1917	2,500,000	430,577	12	17.2	7.8
1916	2,500,000	422,012	12	16.9	7.8
1915	2,458,415	411,493	12	16.9	7.9

*Taxes and amount written off premises deducted.

†Per cent. on average capital, reserve and balance at beginning of year.

Assets increased by over $8,000,000, and now stand at $39,558,364; savings deposits are now $8,647,000, comparing with $6,960,000, and Canadian debentures have increased from $15,065,000 to $19,931,000. Sterling debentures are also higher. It is explained that the growth in deposits and debentures would have been $3,450,000, even without including the Hamilton Provident & Loan Corporation figures.

Among the assets, mortgage investments total $31,512,105. No real estate, apart from office premises and properties taken over from the Hamilton company, was being carried at the end of the year.

A bonus of half per cent. on stock has been declared again, making the year's rate the usual 7½ per cent.

We recommend

Hamilton Dairies

Preferred and Common

DENMAN & CO.

LIMITED

INVESTMENT BANKERS

HAMILTON, ONT.

BRANCH: BELLEVILLE, ONT.

Our Statement is Verified

News publications have carried, in the past month, the statement that land at the corner of Bay and Bloor Streets, Toronto, is being held under option by the Hudson's Bay Company as a site for a proposed store building.

The property described is directly opposite to the Bloor Building, security for an issue of United Bonds recently offered by us to the investing public.

Constantly we have repeated the statement that only properties in advantageous locations are accepted by us as security for issues of United Bonds; indeed, that location of the property, as we select it, is one of the outstanding safeguards of United Bonds.

If we had been allowed to choose it, we could not have asked for stronger verification of this statement than is furnished by this reservation of land adjacent to a property securing United Bonds, by an institution so old, so strong, and so ably managed as the Hudson's Bay Company.

Will you let us send you details of issues offering now.

Address Dept. 10.

United Bond Company Limited

HOWARD C. WADE, *President*

WM. BROWN, *Vice-President and Manager.*

297 Bay St., TORONTO

Imperial Bank Bldg., WINDSOR

BANK OF NOVA SCOTIA'S PROFITS SHOW INCREASE

Assets Higher and Sums Out on Loan Also Are Larger

Bank of Nova Scotia profits in the year to Dec. 31 last were the second highest on record. They amounted to $2,243,242, which was the equivalent of 22.4 per cent. of the company's bank's capital stock. The rate of earnings on the stock and the actual total of profits were only exceeded in one previous year. This was in 1920, when a high level of interest rates and an active employment of the bank's funds enabled profits of $2,327,423 to be shown, the equivalent of 23.9 per cent. on stock.

The 1926 profits compare with $2,137,920 for 1925. After writing off the usual amount for bank premises and contributing an enlarged sum to the bank pension fund, the bank was able to increase its profits and loss surplus by $208,242, as the following comparative table indicates:

Income Account

	1926	1925	1924
Profits	$2,243,242	$2,137,920	$2,110,028
Pension	85,000	75,000	75,000
Tax on cir.	100,000	100,000	100,000
Premises	250,000	250,000	250,000
	435,000	425,000	425,000
	$1,808,242	$1,712,920	$1,685,028
Dividends	1,600,000	1,600,000	1,600,000
	$ 208,242	$ 122,920	$ 85,028
Prev. bal.	450,644	337,723	252,695
	$ 658,886	$ 450,643	$ 337,723

Eleven Years' Record

Year	Profits	% on Cap.	Div.	% on Invest.
1926	$2,243,242	22.4	16	7.5
1925	2,137,920	21.3	16	7.1
1924	2,110,028	21.1	16	7.1
1923	2,104,532	21.0	16	7.2
1922	2,122,682	21.2	16	7.2
1921	2,111,733	21.7	16	7.1
1920	2,327,423	23.9	16	8.1
1919	1,925,478	19.8	16	6.8
1918	1,411,925	21.7	14	7.4
1917	1,295,315	19.9	14	6.8
1916	1,252,038	19.2	14	6.8

Examination of the balance sheet of the bank reveals a few interesting points, chiefly being a modest gain in assets from $244,455,833 to $246,721,584. Liquid position of the bank, while very strong, is less markedly so, chiefly due to the diversion of funds from investments to the more profitable loans to business. Call loans are about $2,100,000 higher abroad and $3,400,000 higher in Canada, consequent upon considerably increased stock market activity. Current loans are $5,100,000 higher and non-current loans were down by $115,000. This figure, representing loans in arrears is down to $373,342, a trifling sum for such a large bank.

No additions have been made to reserve which remains at $19,500,000, or 195 per cent. of capital.

The report reflects the steady growth of this, the second oldest of Canadian banking institutions.

IMMEDIATELY AVAILABLE LIQUID ASSETS

	1926 $	1925 $	Change $
Specie	9,117,818	9,295,561—	177,743
Dom. notes	18,890,348	22,956,903—	4,066,555
Note cir. dep.	488,027	473,820+	14,207
Call loans ab.	11,308,375	9,176,863+	2,131,512
Bank bal. ab.	3,482,097	2,481,448+	1,000,649
Cheques	11,223,627	11,928,733—	705,106
Gov. secs.	31,463,978	33,440,738—	1,976,760
Gold res.	6,000,000	6,000,000	....
Notes, bank.	990,685	1,024,231—	33,546
For. curr.	1,750,776	2,083,701—	332,925
	94,715,731	98,861,998—	4,146,267
% total assets	38.50	40.45—	1.95
% total liab. to pub.	43.83	46.17—	2.34
Other Assets			
Pub. secs.	10,293,500	11,099,059—	805,559
Other secs	12,491,890	14,388,372—	1,896,482
Call loans, Canada	19,380,733	15,972,356+	3,408,377
Current	75,944,209	70,802,114+	5,142,095
Elsewhere	19,732,839	19,666,700+	66,139
Non. Curr.	373,342	488,238—	114,896
Premises	7,175,202	7,500,703—	325,501
Lets. of cred.	6,328,068	5,410,890+	917,178
Real Estate	40,924	59,737—	18,813
Other assets	245,146	205,666+	39,480
	152,005,853	145,593,835+	6,412,018
Total assets	246,721,584	244,455,833+	2,265,751
Liabilities to the Public			
Circulation	14,981,153	14,700,310+	280,843
Dem. dep.	36,577,192	36,293,619+	283,573
Savings	153,805,050	153,163,219+	641,831
Due banks	1,868,972	1,559,270+	309,702
Due else.	1,104,189	1,472,265—	368,076
Lets. of cred.	6,328,068	5,410,890+	917,178
Bills pay.	1,269,720	1,258,863+	10,858
Other liab.	225,877	244,453—	18,576
	216,160,221	214,102,889+	2,057,332
Liabilities to Shareholders			
Capital	10,000,000	10,000,000	....
Reserve	19,500,000	19,500,000	....
Dividends	402,476	402,300+	176
Balance	658,887	450,644+	208,243
	30,561,363	30,352,944+	208,419
Tota lliab.	246,721,584	244,455,833+	2,265,751

Canada Trust Shows Further Material Gains

Canada Trust Company, subsidiary of Huron & Erie Mortgage Corporation, again increased profits and assets in 1926. Profits amounted to $133,747, increase of over $4,000. After payment of dividends and taxes there was $20,699 to add to surplus, bringing this to $33,940. Comparative figures follow:

Profit and Loss

	1926	1925	1924
Profits	$133,747	$129,375	$124,298
Losses	18,048	20,527	16,955
	$115,699	$108,848	$107,343
Distribution—			
Dividends	$ 95,000	$ 90,000	$ 89,991
Reserves	......	25,000	.....
Balance	$ 20,699	*$6,152	$ 17,352
Prev. Bal.	12,241	18,393	1,041
	$ 32,940	$ 12,241	$ 18,393

*Debit.

Twelve Years' Record

	Capital Accounts	Guar. Trust Accounts	Estates Trusts etc.
1926	$1,832,941	$5,554,107	$12,215,088
1925	1,807,241	5,097,379	10,270,143
1924	1,788,388	5,198,141	9,816,872
1923	1,766,036	4,416,355	9,070,792
1922	1,752,011	2,933,732	8,532,003
1921	1,788,370	3,478,554	6,613,613
1920	1,750,633	4,223,152	5,064,237
1919	1,685,752	4,860,636	4,234,387
1918	1,645,597	4,719,765	3,544,906
1917	1,595,271	4,528,581	2,790,190
1916	1,534,090	3,318,224	2,659,503
1915	1,472,392	3,045,144	1,754,332

Total assets now amount to $19,602,000, an increase of $2,427,000. Estates and trusts have grown from $10,270,000 to $12,215,000 and guaranteed accounts from $5,097,000 to $5,554,000.

It is pointed out that it is the intention of the directors to extend the trust company's operations to Hamilton through the office of the Hamilton Provident & Loan Corporation which last autumn, was purchased by the Huron & Erie Mortgage Corporation under whose control the Canada Trust Company is operated.

Organizing Canadian Commerce Chamber in U.S.

Steps are being taken to organize a Canadian Chamber of Commerce of the U.S.A. The first move was made early in 1914, but the outbreak of the war cancelled the plans for the time being. The prime mover in the reorganization is John Calder Gordon, of Boston, who lived for many years in Canada, and whose ancestor was Sir John Gordon who, with Sir William Alexander, was one of the founders of Nova Scotia in 1621.

A strong committee has been formed to organize the proposed chamber which, it is thought, will be able to render valuable service to Canada as a whole, and to business intercourse between the two countries. Provisional headquarters have been established in Boston, at 101 Milk Street. The suggestion is attracting much interest among business men, especially in New England, and it may lead to close co-operation with the newly formed Canadian Chamber of Commerce in Montreal.

This Week's Bond Sales

B. C. Bond Issue

An issue of $6,000,000 British Columbia short-term bonds has been sold to the Bank of Montreal, to yield 4.73 per cent.

The new two-year issue takes the place of a proposed loan of $4,000,000 for 30 years, and $2,000,000 for 40 years. The Government found the long-term security market unsatisfactory and decided instead to carry out its refunding operations with a short-term issue.

Winnipeg Sells Bonds

Wood, Gundy & Company, and Chase Securities Corp., were the successful tenderers for the new issue of $2,870,000 City of Winnipeg 4½ per cent. and 5 per cent. bonds, of which $1,500,000 fall due in the years 1928 to 1931, and the remaining $1,370,000 in 1940. Tendering was marked by unusually keen bidding, the difference between the first and seventh bid amounting to barely ¼ of 1 per cent. The bids were:

Wood, Gundy & Co. and Chase Securities	98.457
Bank of Montreal, First National Bank, Redmond & Co.	98.389
Equitable Trust Co.	98.31
A. E. Ames & Co., Guaranty Co., Royal Bank	98.278
Dillon, Read & Co., Dom. Securities Corp.	98.271
Harris, Forbes & Co., National City Co.	98.258
Bank of Commerce, R. A. Daly & Co., Fry, Mills, Spence & Co.	98.171

Tenders and By-laws

Jan. 31, Portage la Prairie—$100,000, 5½% waterworks debentures, due 1967. W. R. Grieve, Sec.-Treas.

February 7, 1927. Township of Tremblay, P.Q.—$35,000, 5½ per cent. serial debentures. H. Gagnon, Sec.-Treas.

February 10, Township of King—$78,784, 5½%, 30-instalment debentures. J. L. Jenkins, twp. clerk, King City. (See announcement on page 16).

February 7, Village of Port Rowan—$11,000, 6%, Hydro bonds, 1 to 20 years. J. F. W. Atkinson, Treas., Port Rowan. (See announcement on page 16).

January 28, Quebec—$858,000, 4½%, 30-year bonds. Alternative bids are asked for 30-year 5%, or 5% serial bonds, 1 to 30-years. Treas. City Hall.

February 7. Town of Pointe Claire, P.Q.—$85,800, 5 per cent. serial bonds. L. J. Laurendeau, Sec.-treas.

February 7. Township of Tremblay, P.Q.—$35,000, 5½ per cent. serial debentures. H. Gagnon, Sec.-treas.

North American Life Goes Over $150,000,000

Another successful year has been recorded by the North American Life Assurance Company, which held its annual meeting this week. During 1926, new business increased by 11.3 per cent. over the year 1925, reaching a total of $32,540,819, the largest production in any one year. The total insurance in force now amounts to $152,682,243, being an increase of $14,686,530 over 1925.

The cash income from premiums, interest and other sources amounted to $7,065,821.56, an increase of $684,818.04. The amount paid to policyholders during the year was $2,566,663.94, covering death and disability claims, matured endowments, dividends, cash surrender values and annuities. The assets of the Company now amount to $32,293,780.05, showing an increase of $3,005,770.09, which is the largest increase in any year.

The company's investments show a holding of $10,364,626 in government, government guaranteed and municipal bonds; in other bonds and stocks $8,115,074. The company reports that loans in the Western provinces have been largely paid off and are in a very satisfactory condition. The average interest earned on investments during the year amounted to 6.40 per cent. Comparative figures for the past two years are as follows:

	1926	1925
Premium Income	$ 5,148,714	$ 4,732,303
Inves. Income	1,771,508	1,614,059
Other Income	145,600	34,581
Total	$ 7,065,822	$ 6,381,003
New Insurance	$ 32,540,819	$ 29,224,836
Total in force	152,682,243	126,625,049
Assets	32,293,780	29,288,010
Policy reserves	25,539,242	23,374,239
Surplus fund	5,738,854	5,036,981

UNLISTED SECURITIES

	Bid	Asked
Alberta Pac. Grain, com.	18	21
Do., pref.	87	90
Brooks Motor 1 pref. & com.	6	7
Do., 1 pref. & 2 com.	7	9
Can. Machinery, com.	5	8
Can. Westinghouse, com.	184	190
Farmers Dairy, com.	62	..
Dunlop Tire, pref.	84	90
Chase, A. W., com.	..	9
Do., pref.	74	80
Fanny Farmer, com.	28½	31
Federal Alcohol & Dist.	7	8¼
Goodyear Tire, 6% pref.	91	94
Gunns, Ltd., pref.	34	..
King Edward Hotel, Deb. A.	72	75
King Edward Hotel, Deb. B.	62	65
Loew's Buffalo, pref.	50	55
Mount Royal Hotel, com.	5¾	6½
Nat. Grocers, 1st pref.	95	98
Nat. Grocers, com.	2	7
Continental Life, 20% paid	42	47
Crown Life	128	..
Empire Life	25	30
Excelsior Life 29% Paid	65	..
Great West Life	415	440
Monarch Life 10% Paid	31	35
Mortgage Discount, pref.	6	6¾
Ontario Equitable	21	25
Re-Insurance	21	25
Security Life 40% Paid	26	31
Sun Life, 75% paid	650	..
Toronto Finance, pref.	3	4
Willard's pref.	67	71
Canada Life	725	..
Capital Life 20% paid	19	..
Mount Royal, pref.	52	55

Unlisted Bonds

	Bid	Asked
Abitibi P. & P. 6s 1940	104¼	105
Algoma Steel 5s 1962	31¾	32½
Anticosti Corp. 6½s 1941	102	103
Belgo Can. Paper 6s 1943	102½	103½
Brandram Henderson 6s 1936	94½	96½
Burns, P. Co. 6½s 1943	102¾	103¾
Calgary Brewery 5s 1942	87¾	89¼
Calgary Power 5s 1940	91⅝	92¾
Canada Lt. & Pr. 5s 1949	94½	96½
Can. Car & Fdry 6s 1939	104¼	105½
Can. Nor. Power 6½s 1941	100¼	101¼
Brompton P. & P. 6s 1946	98½	99½
Can. Steamships 5s 1943	98½	99½
Can. Steamships 6s 1941	98½	100
Can. Steel Fndry 6s 1936	104	105½
Cedar Rapids 5s 1953	100	100¾
Davies, Wm. 6s 1942	92½	93½
Dominion Iron 5s 1939	29	31½
Dom. Power & Tr. 5s 1932	96¼	97¼
Dominion Textile 6s 1949	106	108
Duke Price Pr. 6s 1966	105½	106½
East Kootenay Pr. 7s 1942	103¾	105
Elev. Development 5s 1933	100	100⅝
Fraser Co. 6s 1950	98¾	100
Gatineau Power 5s 1956	97¼	98½
Howard Smith P. & P. 7s 1941	103	104
International Paper 6s 1955	98	98¾
King Edward Hotel 7s 1944	90	94
Lake Superior P. & P. 6s 1941	106	107½
Laurentian Pr. 6s 1936	102½	103½
Laurentide Pr. 5½s 1946	101¾	102½
Maple Leaf Mfg. 6½s 1943	103½	105
Maritime Tel. & Tel. 6s 1941	103½	105
Manitoba Pr. 5½s 1951	99⅝	100¼
Mattagami P. & P. 7s 1949	105	115
Mercury Mills 6½s 1943	100½	101¾
Mont. L. H. & Pr. 5s 1951	99⅝	100½
Mont. Pub. Service 5s 1942	97¾	98½
Nor. Can. Pr. 6s 1945	101½	102
Nor. Ont. L. & P. 6s 1946	100¾	101¾
Nor. West. Utilities 7s 1938	99	100½
Nova Scotia Steel 6% Debs.	30	35
Nova Scotia Tram. 5s 1946	89¼	91
Nova Scotia Tram. 7s 1952	98	100
Ont. Pulp & Paper 6s 1931	108½	109¾
Ottawa Hull Pr. 6s 1948	103	104½
Ottawa L. H. & Pr. 6s 1953	104½	105¾
Ottawa Mont. Pr. 6½s 1949	102½	103½
Ottawa Riv. Pr. 6½s 1953	102½	103½
Ottawa Trac. 5½s 1955	100⅝	101¼
Port Alfred P. & P. 6½s 1943	102	103
Price Bros 6s 1943	104¼	105½
Prov. Lt. & Pr. 5s 1946	100½	101½
Page Hersey 6s 1946	101½	102¾
Quebec Pr. 6s 1953	106½	107¾
St. Lawrence Paper 6s 1946	98	99½
St. Maurice Pr. 6½s 1953	108½	109½
St. Maurice Valley 6s 1945	99½	100½
Shawinigan W. & P. 6s 1950	105½	106¼
Simpson, Robt. 5s 1952	94¼	96
Simpsons, Ltd., 6½s 1945	102¼	103½
Southern Can. Pr. 5s 1955	98	98¾
Spanish River P. & P. 6s 1931	108½	109½
Spanish River P. & P. 8s 1941	106⅝	107¾
West Kootenay Pr. 6s 1943	103½	105
West Pr. of Can. 5s 1949	95¾	97
Winnipeg Elec. 6s 1954	99¾	100¾
Winnipeg Elec. 5s 1935	98¼	99½

F. H. Blakely C. E. Bowden

F. H. BLAKELY & CO.

Real Estate Mortgage Bonds

Originated - Under-written

Northern Ontario Bldg., Toronto

Telephone Adelaide 0669

A CONSTRUCTIVE

Investment Plan

FOR 1927 AND AFTERWARDS

INVESTMENT SUCCESS is the result of the carrying out of a definite and well prepared plan based on the requirements of the investor's personal circumstances.

Haphazard investing and the indiscriminate purchase of securities without due regard to the individual requirements and proper balancing of investments is unwise. In the long run, even though no actual losses be incurred, such a policy can only result in reduced income and perhaps also in reduced security.

In preparing such a plan and putting it into effect, we believe the advice of a responsible investment house will assist you materially. Our forty-four years of cumulative experience is available to you to map out such a constructive investment program for next year. May we help you?

HANSON BROS.

Founded 1883

Investment Securities

Montreal: 160 St. James St.

Toronto: 330 Bay Street

Ottawa: 63 Sparks Street

BONDS

Government

Municipal

Industrial

Utilities

List on request

ESTABLISHED 1919

CREDIT-CANADA

LIMITEE

Investment Bankers

120 St. James St., Montreal

Main 4191★

Public Services

Public Service Companies are public necessities and grow as the country grows. That issues of such companies therefore possess a high degree of security has been amply demonstrated in the cases of the following:

Montreal Tramways	5%	1941
Montreal Tramways	5%	1955
Bell Telephone	5%	1955
Quebec Power	6%	1953
Quebec Ry.	5%	1939
St. Maurice Power	6½%	1953
Montreal Pub. Ser.	5%	1942
Laurentide Power	5½%	1946
Duke-Price Power	6%	1966
Manitoba Power	5½%	1951
M. L. H. & P.	5%	1951
Gatineau Power	5%	1956
Gatineau Power	6%	1941
Can. Nor. Power	6½%	1941
Winnipeg Electric	6%	1954

Our trading department buys and sells Public Service Securities at the most favorable market prices.

Send for our circulars

RENE-T. LECLERC

Incorporated

Montreal:- 160, St. James St.

Quebec:- 71, St. Peter St.

(ESTABLISHED 1901)

E313

BONDS FOR INVESTMENT

HOUSSER, WOOD & CO.

LIMITED

Investment Bankers

ROYAL BANK BLDG. TORONTO

We recommend

PUBLIC UTILITY BONDS

Send for our Selected List

Browne, Urquhart & Co.

Limited,

190 St. James St. Tel. Main 8011*. Montreal

Mara & McCarthy

Members Toronto Stock Exchange

Members Montreal Curb Market

Stock Brokers

297 Bay Street - TORONTO

Vancouver Holdings Ltd.

714-15 Board of Trade Bldg., Vancouver, B.C.

Leading financial and industrial authorities acknowledge Vancouver's future is now definitely assured and fully recognized.

We can offer to careful investors inside properties in Vancouver showing current interest returns on investment with exceptional prospects for future increase in value.

HON. H. H. STEVENS, Managing Director.

W. H. STEVENS, Local Manager.

Does the Income From Your Investments Average 5½%?

Offhand you will likely say yes, but our experience over a great many years and an accurate analysis of over two hundred individual estates has proven to us that when the average investor checks up his holdings of non-dividend, non-interest paying securities and applies the returns received from the balance of his securities against the total money invested that the net income is less than 2%.

Let us show you how it is possible to secure the full 5½% on all your surplus funds—with all elements of risk, worry or care in watching conditions or markets eliminated. To the average investor this means increasing your net income by almost 200%.

A copy of a booklet we have ready for distribution, entitled "The Investment Trust," explains in detail this opportunity. Send for your copy today. There is no obligation except that which you owe yourself to secure the complete details of this investment.

G·A·STIMSON & CO.

LIMITED EST. 1883

The Oldest Bond House in Canada

300 BAY ST. TORONTO

Gentlemen:

Kindly send me a copy of your booklet, "The Investment Trust." I understand this places me under no obligation whatever.

Name ....

Address ....

BOND MOVEMENTS OF THE WEEK

Week Ending January 25

Bonds—	Int. Rate	Due	Yield	Range, 1925 High	Range, 1925 Low	Range, 1926-7 High	Range, 1926-7 Low	Ask	Latest Price Bid	Latest Price High	Latest Price Low
Asbestos, g. mtge.	6	1956	6.47	..	..	93¾	81¾	93	92⅞	93¾	90¼
Canada Bread	6	1941	5.50	105	102	105½	104	..	105	105	..
Can. Canners	6	1950	6.24	96½	90	100	94	...	97¼	97	..
Can. Light & Pr.	5	1949	5.30	..	..	..	..	..	..	96	94½
Cedar Rapids	5	1953	5.00	99⅛	97	101½	98⅛	100	..	100	..
Dom. Iron	5	1929	14.76	94	86	92	69	77	75	77	74½
Montreal Power	5	1933	5.00	..	..	100	97	..	..	100	..
Montreal Tram., "A"	5	1955	5.20	94	88¼	97	93	99⅞	99½	97	..
Do., 1st mtge.	5	1941	5.01	98¾	94⅞	99⅞	93	99⅞	99½	99⅞	99
Quebec Rly.	5	1939	5.16	98	89¾	100	91⅞	98½	..	98½	98¼
Steel of Can.	6	1940	5.23	106	104	107⅞	106	108¼	104	107½	107
Wayagamack	6	1951	6.00	98¾	84¼	100⅝	91¾	100	..	100	..
War Loan	5	1931	4.70	102.65	101.80	102.40	100.35	101.90	101.55	101.55	101.45
Do.	5	1937	4.55	104.95	103.80	104.65	102.75	.....	103.95	103.90	.....
Victory	5½	1927	4.46	103.15	101.05	101.75	100.00	101.05	100.90	100.95	100.75
Do.	5½	1933	4.70	107.00	105.10	106.80	103.65	104.85	104.70	104.80	104.60
Do.	5½	1934	4.89	104.80	103.25	104.10	102.15	104.10	103.95	104.05	103.80
Do.	5½	1937	4.58	110.00	108.05	109.30	106.90	108.05	107.80	107.90	107.55
Do., Renewal	5½	1927	4.90	102.65	100.90	101.75	100.00	100.95	100.65	100.70	100.65
Do.	5½	1932	4.88	104.20	102.10	103.40	102.00	103.40	103.05	103.20	103.05
Do., Refund	5	1928	4.90	101.40	100.10	101.30	99.00	100.80	100.45	100.70	100.55
Do.	4½	1940	4.64	97.30	96.00	98.60	95.60	98.60	98.35	98.60	97.80
Do.	5	1943	4.80	102.95	101.20	102.95	101.15	102.90	102.75	102.90	102.75
Do.	4½	1944	4.62	97.75	94.95	98.55	95.75	98.55	98.50	98.55	98.00
Do.	4½	1946	4.61	..	.....	98.55	95.60	98.55	98.40	98.55	98.40

WEEKLY RECORD OF CANADIAN FINANCING

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS.

Place	Date Sold	Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Municipal							
Winnipeg	Jan.	Wood, Gundy & Co., and Chase Securities	4½ & 5%	....	$2,870,000	98.457	4.87
Provincial							
British Columbia	Jan.	Bank of Montreal	2-yr.	....	$6,000,000	....	4.73

OFFERINGS OF CORPORATION AND FOREIGN SECURITIES

Bond Issues	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Carlton and Chas. Terraces	Jan.	United Bond Co.	7%	Serial	$100,000	....	...
Solvay Amer. Invest. Corp.	Jan.	Kerr, Flemming & Co., and U. S. Syndicate	5%	1942	15,000,000	99¾	5%
International Pr. Sec. Corp.	Jan.	Dom. Securities and Syndicate	7%	1952	6,000,000	95½	7.40

Insurance for Buyer and Seller

MANUFACTURERS AND INSURANCE MEN IN BATTLE

Wage Fight Over Compensation Rates in Quebec Province

The topic of vital interest to manufacturers and insurance men in the Province of Quebec this week is "What will be the insurance rates when the Workman's Compensation Act comes into force on April 1st next?"

Ever since the insurance companies published their newly-revised rate schedule for this type of risk, there has been considerable controversy between the manufacturers and the underwriters, and from the side of the former the claim has been made that the new insurance rates for workmen's compensation insurance are so high as to be almost prohibitory to the small manufacturer. There is a report in Montreal that already the large manufacturers have made application for a charter to conduct a Mutual Casualty Insurance Co., and thus be independent of the "line companies for this class of risk:

In 1926 when the legislature at Quebec revised the provincial law regarding workmen's compensation, the companies writing this type of risk were asked to submit to the government a revised schedule of rates to meet the new conditions. These rates were submitted to the government on Dec. 29th, 1926, and since their publication they have been the source of considerable controversy on the part of manufacturers, who claim that they are too high to be generally applied to industries in Quebec. Last week, in Quebec, representatives of the Canadian Manufacturers' Association, under the leadership of Norman Holland, and a committee of insurance men, headed by V. Evan Gray, of Toronto, met the provincial cabinet and discussed the whole situation. No definite decision was arrived at, and a further conference has been planned between the Manufacturers' Association and the insurance companies, this week in Montreal. In the meantime, the insurance companies have announced that there will be no downward revision of their rates and that they welcome competition from mutual associations. One of the leading casualty underwriters in Montreal says:

"We have declared that we welcome the proposed action of the manufacturers. We consider that they will have their eyes opened as to the cost of this form of insurance and we welcome their competition. One thing we cannot tolerate is monopoly, but any form of competition in this matter we are prepared to meet."

Underwriters Justify Rates

In justification of the increased rate scheduled, insurance underwriters claim that the cost of workmen's compensation insurance cannot be accurately measured in advance of their application, but that the new rates measure as accurately and as fairly as possible the probable cost of the new benefits. The rates were compiled after a careful study of experience under the former Act, and in consultation with the National Council on workmen's compensation in the United States. The new rates do not bear a fixed relationship to those formerly in effect. Some rates are actually less than those in effect heretofore; others are only slightly increased over the rate formerly charged; in the case of some classifications the increase in rate is substantial. "Taken over all classifications," says V. Evan Gray, "the increase in rate level is 68 per cent. This is the nearest possible measure of the actual increase in benefits allowed to the workmen."

The rating schedules which were submitted to the government are the manual rates applicable to the various classifications of industry. These rates are the average for each group, so that within the various groups, individual manufacturers will be rated according to the conditions which prevail in their establishment. An employer who safeguards his employees effectively against accidents by every useful mechanical device, and by careful supervision, will be rated on a better experience and will have a lower premium rate than the manufacturer with the unsatisfactory record. This principle of rate-making is the one adopted in nearly every jurisdiction where workmen's compensation insurance is in effect.

Further insurance news this week on page 7.

1926 Life Insurance Sales Reached New High Point

LIFE INSURANCE SALES IN CANADA

	1922	1923	1924	1925	1926
January	$27,432,000	$28,108,000	$30,673,000	$30,838,000	$33,907,000
February	26,023,000	25,409,000	30,704,000	28,698,000	34,744,000
March	27,516,000	28,142,000	34,383,000	35,001,000	40,483,000
April	26,547,000	29,966,000	32,603,000	35,872,000	37,346,000
May	30,413,000	29,762,000	33,368,000	34,377,000	37,703,000
June	33,437,000	31,865,000	34,295,000	42,307,000	44,634,000
July	26,119,000	31,539,000	33,205,000	37,671,000	40,101,000
August	26,720,000	31,065,000	27,983,000	31,724,000	36,010,000
September	25,081,000	25,979,000	30,029,000	33,543,000	34,878,000
October	29,102,000	33,470,000	32,483,000	36,259,000	40,226,000
November	29,664,000	34,165,000	34,357,000	36,760,000	44,251,000
December	32,995,000	37,377,000	37,120,000	41 822,000	46,777,000

*Companies having in force 84 per cent. of total outstanding business in Canada. New, ordinary business only. Figures by Life Insurance Sales Research Bureau, Hartford, Connecticut.

Sales of ordinary life insurance in Canada exceed all previous records with $471,649,000 paid for during the year. Figures just issued by the Life Insurance Sales Research Bureau of Hartford, Connecticut, indicate a gain of 11 per cent., or $46,777,000 over the paid-for business in 1925.

During December the records of the reporting companies show sales of $47,366,000. This is six per cent. higher than sales in June, 1926, which had held the highest record. This follows previous sales records which show December sales usually lead in volume with June the second largest month. The gain for the month is 13 per cent. over December, 1925; an increase in volume of $5,544,000. High records for December are gains of 37 per cent. in New Brunswick and 29 per cent. in Quebec.

The yearly increase of 11 per cent. is well distributed throughout the Dominion. Saskatchewan leads the provinces with a 22 per cent. gain over last year's record. Quebec follows with an increase of 17 per cent.

Substantial gains during December are recorded by the reporting cities. Increases for the month range from 12 per cent. in Vancouver to 98 per cent. in Hamilton. Among the cities Montreal shows the highest gain for the year.

SUGGEST ADVISORY BOARD TO REDUCE TOTAL OF AGENTS

Condemn the Indiscriminate Appointment of Fire Insurance Agents

In common with other countries, Canada is beginning to find out that "agency turnover" is one of the niggers in the fire and casualty insurance woodpile. The indiscriminate appointment of agents to solicit this type of business has caused an enormous addition to the agency forces in Ontario and Quebec and has added materially to the costs of acquiring new business. Those who have studied the problem as it affects Canadian conditions, say that it is a very serious one which presses for solution, and that the remedy lies with the companies themselves rather than with any remedial legislation.

In order to fully understand the agency problem it is necessary to review the conditions as they exist in Ontario, where the situation is exceptionally acute. In 1914 there were 136 companies licensed to transact business other than life, who employed 1,800 agents, an average of about 13 agents to each company. By 1918, although there were only 14 companies in business the number of agents had increased 100 per cent., and by 1925 with 36 more companies, there was another 100 per cent. increase. The snowball is still rolling, however, and the 1926 figures show that the number of licensed agents now stands at 7,568, or an average of nearly 40 agents to every company. In other words while the number of licensed companies has increased 40 per cent., the number of agents increased more than 300 per cent.

This increase cannot be attributed to a natural development, and even allowing for the demands of new companies and the growth of the insurance business, there are evidently in business at the present time, a great number who cannot be considered legitimate agents and who could be eliminated without loss to the companies or the public. The reasons advanced for this argument are that the great number of agents who have entered the business in recent years, and incidentally the vast majority of whom have also left it, were poorly equipped for the work of representing the companies, had no intention of making the business a vocation, and have only added to the problems already facing the companies and agents, demoralized the legitimate agent and have added to the popular impression that the insurance agency business is the last refuge for the failures, incompetents and poor relatives.

What then is the effect of this indiscriminate appointment of agents, far above the actual needs of the business? In the first place the service rendered by the companies is impaired, and secondly, the cost of securing new business is kept abnormally high, thus increasing the ultimate cost to the insurer.

As far as service is concerned, the complaint is made that volume of business has been the primary criterion of late, and that service has naturally suffered because agents for the most part are appointed indiscriminately without any regard to their competence or responsibility. For instance, there is no educational standard such as in other professions, and not only are the agents irresponsible, financially and otherwise, but many possess no knowledge of even the elementary principles of insurance.

Take the situation as it exists in many scores of places in Ontario. Branch and district managers who are responsible for a certain district are dependent for their livelihood upon the volume of business they produce. They accordingly seek out men in small towns and villages who have a little spare time and an acquaintance of friends, and appoint them as agents for the company. With the personal help of the manager these men "milk" their immediate circle of friends and relatives under the momentary pressure from head office, and then probably disappear for ever from the books of the company—except to draw their commissions which are payable in an equal amount each year until the policy lapses. Next year the manager (ever keen for volume) approaches another man with another circle of friends and so the process continues.

Adding to Insurance Costs

This brings up the second point, namely, that at the present time acquisition costs are at an abnormally high level, which means eventually a higher premium to the policyholder. The heavy cost of operation adversely affects underwriting profit, and one way in which expense ratio could be reduced would be by a proper system of agency appointments. Properly qualified aegnts would eliminate, to a great extent, the cost entailed in repeated visits of inspectors, additional supplies, collections and other expenses, incurred solely through incompetent, ignorant and unreliable agents.

What then is the cure for "agency turnover?" Those who have studied the situation as it exists in Ontario and who are in close touch with the situation, say that any relief must come from within the companies themselves. Cooperation and education are given as the essentials to a solution. The Toronto Insurance Conference, which has been battling with the problem for some time, has prepared a plan which it believes would solve the situation, but which demands for its success, the cooperation of at least 75 per cent. of the companies. Without this co-operation on the part of the companies, the plan has but small chance of success.

Plan Advisory Board

Briefly, the plan is called an advisory board plan, and aims not only to make the selling of fire insurance attractive "to persons of recognized character, ability and trustworthiness," but to eliminate the unsuitable and incompetent agent, and provide a competent and qualified agency force in the city of Toronto. The advisory board is composed of five members, two agency, two company, and one non-tariff representatives. This board would approve or reject all applications for agency licenses and any appeals from their decision would be made to the Superintendent of Insurance for the province. As a prerequisite to licensing, every applicant must undertake, in writing, to take a course of lectures provided for under the plan. The board would undertake to publish educational pamphlets or primers as a supplement to its course of instruction.

Continental Life Adds $8,500,000 New Business

Continued growth and achievement is recorded by the Continental Life Assurance Company in its 27th annual report issued this week, The amount of new business written and the amount of insurance in force both reaching new high records for the year.

The company now has $30,169,012 of insurance on its books and during 1926 acquired $8,509,768 of new business. The mortality experience of the company during the year was exceptionally favorable. The company's assets of $5,086,402 are invested in carefully selected securities and show an interest rate earned of 6.24 per cent. Surplus funds, including paid-up capital amount to $505,909 and net income $1,273,519.

Royal Bank Party Leaves

MONTREAL.—A group of Royal Bank of Canada officials and directors left on a tour of inspection of the branches of the bank in the British West Indies, and Central and South America.

The party included Sir Herbert S. Holt, president; C. E. Neill, vice-president and general manager; G. H. Duggan, and D. B. McNaught, directors, and S. R. Noble, assistant general manager. The party sailed from New York and will call at Porto Rico, St Thomas, Martinique, Barbadoes, Trinidad, Caracas, Panama, Kingston, Jamaica, and several other points

Fred W. Bell, manager of the Bank of Montreal, at Gananoque, for the past 11 year, has been transferred to the head office at Toronto. He will be succeeded by Mr. Chart, of London.

ST. LAWRENCE
UNDERWRITERS' AGENCY
FIRE and AUTOMOBILE INSURANCE
HEAD OFFICE - TORONTO

THE MONARCH LIFE
IS A
GOOD COMPANY
Provincial Offices: Toronto, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver, Victoria.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE, WASHINGTON
Head Office for Canada: HAMILTON, ONTARIO
Writing Fire Insurance at Cost Assets $3,118,764.07
ALL POLICIES DIVIDEND PAYING AND NON-ASSESSABLE.
BRANCH OFFICES
Toronto, Ottawa, Vancouver, Victoria, Edmonton, Saskatoon, Winnipeg, Montreal, St. John, Halifax, and Charlottetown.

Satisfactory Service Guaranteed
PRUDENTIAL TRUST COMPANY
LIMITED
Trustees, Executors, Administrators, Real Estate and Insurance, Safety Deposit Vaults.
W. G. ROSS, Chairman of the Board
B. HAL. BROWN, President and General Manager
HEAD OFFICE
PRUDENTIAL TRUST BLDG., Montreal
TORONTO OFFICE
Reford Bldg., 217 Bay St.
Branches throughout Canada and in London, Eng.

THE CANADA NATIONAL FIRE INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62
TORONTO, 24 Adelaide St. W.
W. H. GEORGE
Superintendent of Agents

Capital: $1,000,000
Reserve: 350,000
Complete Trust Service
covering
Wills and Trusts
Mortgage Loans
Real Estate and Investment
Registrar and Transfer Agents
Safety Deposit Vaults
THE EASTERN TRUST COMPANY
Head Office—Halifax, N.S.
Saint John, N.B. St. John's, Nfld.
Charlottetown, P.E.I.
MONTREAL—138 St. James St.
23

Metropolitan Life Insurance Co.
The Company's Canadian Head Office is in Ottawa where its Canadian business east of the Rockies is transacted. Canadian premiums are received. Canadian policies issued and Canadian claims paid in Ottawa.

Canadian Head Office
Ottawa, Canada.
Business Written in Canada in 1925....... $165,123,047
More than that of any other company.
Insurance in force in Canada, end of 1925. $633,544,780
Largest amount in force in Canada in any company.
Policies held by Canadians, end of 1925.. * 2,215,742
Largest number in force in any company in Canada.
Paid Canadian Policyholders in 1925...... $ 8,540,178
Investments in Canada, at end of 1925....... $126,150,919
Invested in Canadian Government and Municipal Bonds.. $ 86,743,283

"Your Will"
A Will, disposing of his property, is one of the most important documents a business man is called upon to sign. We have recently published a Booklet, entitled "Your Will," stating plainly several requisites for a good Will. We shall be glad to send you a copy of this Booklet on request.
The TORONTO GENERAL TRUSTS CORPORATION
W. G. WATSON, General Manager
H. M. FORBES, Asst. General Manager
Head Office, Bay and Melinda Streets, Toronto
Branches - - Ottawa, Winnipeg, Saskatoon, Vancouver

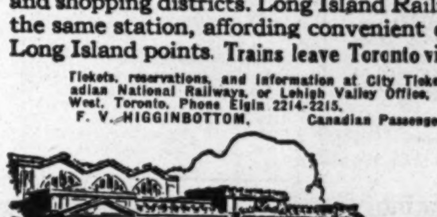
The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$87,000,000.00
Policies Issued from $1,000 to $5,000
G. E. BAILEY, Secretary
W. H. HUNTER, President
ALEX. STEWART, Treasurer

The NORTHERN
LIFE ASSURANCE COMPANY OF CANADA
Good insurance salesmen can always find a place with our growing organization. Write for full particulars.
Head Office: London, Ontario.

Ordinary Life
Paid up in 19 years!
Policy 31434
Amt. $3000
Prem. $83.30
Issued 1906
Age 30
This policy called for premiums payable during the policyholder's whole life time, but because of the profits earned by The Great-West Life, less than 19 premiums were required.
Protection with Profit
This fully paid-up policy will continue to participate in profits every five years.
32
The Great-West Life Assurance Company
Head Office - Winnipeg

Lehigh Valley Service
to the
PENNSYLVANIA STATION
New York

All through trains of the Lehigh Valley Railroad arrive at the Pennsyl ania St-tion in the heart of New York City, near hotels, theatres, sub ways, business and shopping districts. Long Island Railroad trains use the same station, affording convenient connections to Long Island points. Trains leave Toronto via Can. Natl. Rys.
Tickets, reservations, and information at City Ticket Office, Canadian National Railways, or Lehigh Valley Office, 13 King Street West, Toronto. Phone Elgin 2214-2215.
F. V. HIGGINBOTTOM, Canadian Passenger Agent.



Lehigh Valley Railroad
The Route of The Black Diamond

Current Events in Banking World

MANAGERS KEEN TO HELP JUNIORS' PROGRESS IN JOB

Bank Manager Objects to Criticism of Banks Career

I have read with interest the letter written by Parent of Bank Boy, published in The Financial Post of December 31st. I do not wish to enter into a discussion of the merits or demerits of banking as a profession, which is a question for the individual parent or boy to decide. I must, however, take exception to some of the statements made by the writer concerning the lack of consideration shown bank juniors by their employers. That writer's experience seems to have been unfortunate, as well as unusual, for I have found from many years experience and observation that the majority of bank managers are careful to give a large measure of advice and assistance to new juniors, and to take an interest in their welfare both in and out of business hours. The only exception would be in a few large city branches where close supervision was not feasible.

Encourage Boys to Save

Regarding the suggestion that the bank retain the bulk of a junior's salary and place it in a savings account, may I say that managers invariably take the question of saving up with each new junior and practically insist that he open a savings account and commence the practice of regular saving. This is as far as any manager would care to go in the matter. In the great majority of cases, however, the junior to-day has about all he can do to pay board and properly clothe himself, and is not in a position to save anything for the first two or three years. This is equally true of the beginner in any other profession. We fancy the bank junior would be the first one to dispute the right of his employer to withhold the bulk, or any part, of his salary and arbitrarily compel him to save it, as suggested by parent. This is a matter in which the boy should be guided by his parents rather than dictated to by the bank.

Helpful to Health

Regarding the matter of health, I know of no profession or business vocation that offers a boy better opportunity of retaining and promoting good health than a Canadian bank. The hours are short, sanitary conditions are of the best, all forms of healthy recreation and sport are fostered and encouraged by bank executives and managers. In any city, town or village where a Canadian bank is established it will invariably be found that bank clerks are more active and prominent in sport and recreation than any other single class. This would not be the case if the health average was low. In the matter of meals, most of our banks situated in the cities operate lunch rooms where first class hot dinners are provided at noon, free of charge to all members of the staff. In small branches each member of the staff, excepting the teller, is allowed ample time at noon to obtain his regular meal either at his boarding house or a restaurant. The teller in many cases must remain on duty and eat a cold lunch, but his period as teller is only from one to two years and I have yet to find an instance in which the health of such clerk was impaired by eating a light lunch at midday. There may be many reasons why banking does not offer an attractive field to every boy, but I do not think that the two objections mentioned by parent need be considered seriously.

Commerce Opens Branch

A branch of the Canadian Bank of Commerce has been opened near the corner of Dunbar and Twenty-Ninth Avenue, Point Grey, which for the present will be in charge of George Ross.

B. H. PORTEOUS & Company

Stock and Bond Brokers

Members
Montreal Stock Exchange
Montreal Curb Market

17 St. John Street
Montreal, Que.

Hopes C.B.A. Will End Worthless Cheque Evil

Editor, The Financial Post.

Reverting to your different articles commenting on "kiting" worthless cheques and drafts, leading manufacturers and shippers are following these articles very closely and are eagerly awaiting the desired results to eliminate a very wrong practice, which should not further be countenanced by our chartered banks of Canada.

It is only reasonable to expect that the Canadian Bankers' Association are quietly but firmly working out a policy to eliminate this wrong practice. Those interested are awaiting the enforcement of some new policy of this kind for public protection.

The expense to the shippers of Canada of useless drafts going back and forth is mounting to hundreds of dollars yearly in any one office, saying nothing about the tremendous amount of time and stamps that are wasted on worthless cheques and drafts returned with no attention.

Hoping for an early solution for this matter and thanking you for the keen interest you are taking in helping to right this serious wrong practice, which should not be tolerated for another moment by the banks of Canada.

Shipper.

Staff Gossip

Fred Bick has been promoted from teller at Deseronto to accountant of the Standard Bank of Canada at Strathroy.—Post, Lindsay.

* * *

H. Sutherland, who has been manager of the Drumheller branch of the Bank of Montreal for the past six years, is leaving shortly for Vulcan. He is being succeeded here by Mr. Stanley, from Delia.—Mail, Drumheller.

* * *

D. P. Macfarlane, who for years has been an employee of the Standard Bank, and up to a few weeks ago was manager of the Harriston branch and was transferred to Alton, has accepted a position with the Confederation Life Insurance Company as district manager for Perth County, to which district he will move shortly with his family.—Free Press, London.

* * *

The Imperial Bank announces the following staff changes: C. L. Grisdale, formerly manager Grande Prairie, Alta., branch, has been appointed manager Kirkland Lake. H. C. Scarth, formerly accountant, Toronto branch, has been appointed manager at the new branch, Noranda (Rouyn, Que.). K. G. Might, formerly accountant, Yonge and Bloor, Toronto, has been appointed manager at the new branch, Oakwood Ave. and Rogers Road, Toronto. T. M. Sutton, formerly assistant accountant, King and York, Toronto, has been appointed accountant, Yonge and Bloor, Toronto. W. M. Field, formerly attached to the Western Relief, Winnipeg, has been appointed accountant Cobalt branch.

* * *

Walter H. Collins, manager of Kitchener branch of the Canadian Bank of Commerce, is leaving for Montreal, where he will open up a new branch of the Bank of Commerce in the heart of the city. The branch in question is located in the Canada Cement building, in Phillips Square. The new office is to be one of the largest in Montreal, being built to accommodate a large trade for which that district is known. Mr. Collins has been the manager of the Kitchener branch for eight years. It is a coincidence that his promotion to this new branch should come exactly 24 years after his promotion to a position in Montreal from the Berlin branch of the Canadian Bank of Commerce. In the interim he was manager of a branch in New York City for three years. From this station he was moved to Rainy River, where he opened a new branch; to Cobalt, where he stayed for five years; to Exeter and then to Brockville, where he stayed eight years.—Beacon-Herald, Stratford.

WEEKLY BANK CLEARINGS

Eastern Cities

	Jan. 21, 1926	Jan. 20, 1927
Halifax	$2,921,251	$ 2,716,518
St. John	2,841,616	2,870,754
Moncton	786,977	868,114
Sherbrooke	712,506	802,803
Quebec	4,989,610	6,075,312
Montreal	96,896,994	109,199,538
Ottawa	7,410,493	7,488,480
Kingston	700,973	707,216
Peterboro'	664,622	728,550
Toronto	97,115,628	135,436,790
Hamilton	4,909,193	5,645,127
Brantford	914,132	937,029
Chatham	....	818,680
London	2,750,775	2,927,324
Kitchener	902,479	1,116,213
Sarnia	....	616,878
Windsor	3,309,987	3,633,616

Western Cities

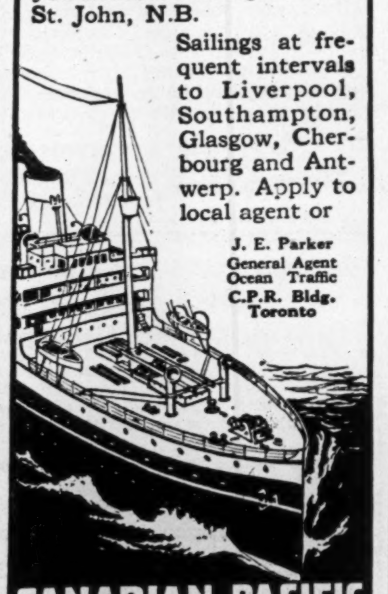
	Jan. 21, 1926	Jan. 20, 1927
Ft. William	$ 777,767	$ 824,018
Winnipeg	45,811,308	38,858,820
Brandon	513,775	531,566
Regina	4,413,878	3,563,881
Moose Jaw	1,072,675	1,184,145
Saskatoon	1,682,111	1,626,059
Pr. Albert	317,610	391,694
Lethbridge	601,080	480,414
Edmonton	4,733,804	4,835,191
Calgary	8,630,395	7,324,462
Victoria	2,025,073	1,865,969
N. Westminster	740,391	588,492
Vancouver	16,819,244	15,556,011
Medicine Hat	....	256,700

Travel in Luxury to EUROPE

Canadian Pacific liners offer you sumptuous accommodation, perfect cuisine and attentive service. Canadian Pacific through sleepers take you direct to the ship's side at St. John, N.B.

Sailings at frequent intervals to Liverpool, Southampton, Glasgow, Cherbourg and Antwerp. Apply to local agent or

J. E. Parker
General Agent
Ocean Traffic
C.P.R. Bldg.
Toronto



CANADIAN PACIFIC STEAMSHIPS

Wabasso Cottons are Canada's best

WABASSO COTTONS are equal to the finest products of the English mills in beauty, fineness of texture and durability. And they are made in Canada — from only the finest grade of raw materials.

THE WABASSO COTTON COMPANY, LIMITED
Three Rivers, Que.

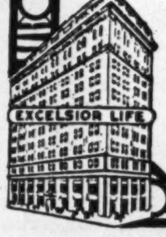
Another Successful Year

Best in the Company's History

A large increase in volume of business, a continuance of favorable mortality experience, satisfactory interest earnings and a further reduced expense rate, as the following figures indicate.

	1922	1924	1926
Income	$ 1,964,133	$ 2,427,491	$ 2,982,956
Assets	8,080,260	10,063,408	12,107,343
Insurance Issued and Revived	9,753,844	12,715,690	16,814,386
Insurance in Force	48,412,253	57,782,440	69,491,590

EXCELSIOR
INSURANCE LIFE COMPANY



For free copy of Annual Report or Agency Representation write

G. H. NICHOL, City Manager,
306 Excelsior Life Bldg., Toronto

All of this Stock has been sold.

$16,500,000

Victor Talking Machine Company

7% Cumulative Prior Preference Stock

Par value $100. Preferred as to assets and dividends over the Convertible Preferred Stock and Common Stock. Cumulative dividends at rate of 7% per annum, payable quarterly February 1, May 1, August 1 and November 1 (first dividend payable May 1, 1927). Redeemable as a whole or in part on any dividend date at $115 per share and accrued dividends, on not less than sixty days' notice. Dividends exempt from present normal Federal income tax.

A Sinking Fund equal to 3% of the maximum amount of Prior Preference Stock theretofore issued shall be set aside on or before January 31st in each year, beginning in 1928, out of surplus or net profits before dividends on the Convertible Preferred Stock and the Common Stock, to be applied during the twelve months following to the purchase of Prior Preference Stock, if obtainable at or below $115 per share. Amounts unexpended at the end of any such period shall be credited against the sinking fund requirements for the succeeding periods.

Edward E. Shumaker, Esq., President of Victor Talking Machine Company, has summarized his letter dated January 17, 1927, copies of which may be obtained from the undersigned, as follows:

CAPITALIZATION
In addition to $6,900 par value non-callable Preferred Stock

	Authorized	To be outstanding**
7% Cumulative Prior Preference Stock (Par Value $100)	$20,934,000	$20,934,000
$6 Cumulative Convertible Preferred Stock (No Par Value)	122,115 shares	122,115 shares
Common Stock (No Par Value)	*819,915 shares	575,685 shares

*Including 244,230 shares of Common Stock reserved for conversion of Convertible Preferred Stock.
**Including stock owned by Company and subsidiaries, as follows $167,220 Prior Preference Stock, 975 shares Convertible Preferred Stock, 4,599 shares Common Stock.

The Company has no funded debt. Each share of stock has voting rights.

The Prior Preference Stock Convertible Preferred Stock and Common Stock are issued in accordance with the plan of recapitalization approved by the stockholders January 17, 1927, and do not represent new financing by the Company.

BUSINESS: Victor Talking Machine Company, incorporated in 1901, is the largest manufacturer of talking machines and records in the world.

From the beginning the Company has maintained a position of leadership through the excellence of its instruments and records and through its success in securing the services of the greatest artists under exclusive contracts. Victor records constitute a collection of the world's greatest music interpreted by the world's greatest artists. "His Master's Voice" has long been one of the best known trade marks throughout the world.

The Orthophonic Victrola and Electrola, introduced in the latter part of 1925, and the Orthophonic Victor record, placed on the market in the fall of 1926, embody the latest developments in reproducing and recording sound, and represent the greatest advance in the industry since the invention of the talking machine. The Company also combines in a single instrument the Orthophonic Victrola and the Electrola with the Radiola, manufactured by the Radio Corporation of America and its allied companies. The instruments range in price from $1,000 for the largest combination machine down to $17.50 for portable Victrola models.

ASSETS: Current assets on September 30, 1926, as shown by the consolidated balance sheet certified by Messrs. Price, Waterhouse & Co., including $12,971,138 in cash, Liberty Bonds, Treasury Certificates and other marketable securities, were $25,129,913, as against current liabilities of only $2,817,249. **Such net current assets exceeded the par value of the Prior Preference Stock.** Total net assets, including land as appraised by James F. Baker Co., and buildings, machinery and equipment in Camden, N.J., the principal plant, as appraised by The American Appraisal Company, were $51,093,812, **equal to about $246 per share of Prior Preference Stock.**

The valuable patents, rights and trade names are carried at one dollar; the master records and matrices for its entire collection of records are likewise carried at one dollar. No valuation is included for goodwill.

EARNINGS: Net earnings for the 12 years ended December 31, 1926, after reserves for depreciation and Federal taxes, as certified by Messrs. Price, Waterhouse & Co., (including the Company's estimate for the last three months) were as follows:

Year Ended Dec. 31	Amount	Year Ended Dec. 31	Amount
1915	$7,388,609	1921	$4,190,415
1916	8,679,251	1922	6,408,841
1917	5,145,927	1923	6,568,850
1918	3,159,627	1924	1,227,426
1919	4,611,171	1925	*5,532,253
1920	4,800,357	1926	**8,000,000

*Deficit after extraordinary charges and adjustments.
**Including Company's estimate for last three months.

Net earnings for the 9 months ended September 30, 1926, after reserves for depreciation and Federal taxes, as certified, were $5,195,054. For the entire year, net earnings, after reserves for depreciation of about $1,140,000, but before Federal income taxes, are estimated by the Company at $8,400,000 and, after such taxes, at $8,000,000, taxes being reduced by about $740,000 through allowance for losses in the preceding year. The net amount for 1926 without this tax reduction would be about $7,260,000, **equal to approximately $35 per share of Prior Preference Stock.**

Since organization in 1901 the Company's business has been profitable in every year with the single exception of 1925. In that year net earnings were $931,358 before writing off depreciation, losses due to the abandonment of old models, and extraordinary expenses incident to the development and introduction of new instruments and processes.

The Company has paid about $37,500,000 in cash dividends. Since 1902 cash dividends have been paid on the Common Stock in every year except 1926, and on January 17, 1927, a dividend of 8% was paid on approximately $35,000,000 par value of Common Stocks outstanding prior to recapitalization. A stock dividend of 416 2-3% was paid in 1911 and of 600% in 1922.

This Stock has been approved for listing on January 19, 1927, on the New York Stock Exchange.

All legal matters are subject to the approval of our counsel, Messrs, Cravath. Henderson & de Gersdorff and Messrs. Pitney, Hardin & Skinner, and of counsel for the Company, Messrs. Hughes, Rounds, Schurman & Dwight

We offer the above Stock for subscription at

$98 per share.

We reserve the right to close the subscription at any time without notice, to reject any application and to allot a smaller amount than applied for. Temporary stock certificates will be deliverable in the first instance on or about February 1, 1927.

Speyer & Co. J. & W. Seligman & Co.
Hallgarten & Co. Hayden Stone & Co. Chas. D. Barney & Co.
Jackson & Curtis Hemphill, Noyes & Co.

The statements contained herein are received from sources believed to be reliable but are not guaranteed, and are in no event to be construed as representations made by us.

January 19, 1927.

Iron and Steel

Fairbanks-Morse

During Past Two Years Earning Power Has Recovered

The annual report of the Canadian Fairbanks-Morse Company for the year just concluded will make its appearance in March, and it is understood, that the profit and loss account will show an increase in earnings over the 1925 year. The company is mainly engaged in the manufacture and merchandising of equipment for industrial and agricultural enterprises. The post-war depression limited decidedly the company's earning power, but the year 1925 with its increase in industrial activity, showed a substantial gain in earnings. The higher business level which prevailed in 1926 should have materially improved earnings. The company stopped paying preferred dividends at the beginning of 1924, but in 1925 and in 1926 the preferred dividends were earned. Despite the hard times which have been experienced, the company has maintaind itself in excellent shape. It appears then that Fairbanks-Morse has entered 1927 in an improved financial position as compared with 1925. The results which will be obtained during 1927 depend pretty well on the general level of business conditions, which at the moment appear satisfactory. If the present earning power of the company be maintained, it seems possible that the management may give its consideration to the resumption of preferred dividends in the not distant future.

Capitalization—

	Authorized	Outstanding
Pref. 6% cum.	$1,500,000	$1,500,000
Com. shares ..	125,000	82,201

No par value.

Funded Debt—
None.

Dividend Record—
Preferred 3 per cent. each six months, payable Jan. 15 and July 15. Passed for six months ended June 30, 1924, and since.
Common, 1917, 27¼ per cent.; 1918, 18 per cent.; 1919, 8 per cent.; 1920, $2.64 per share. None since.

Officers and Directors—
Thos. McMillan, pres.; H. J. Fuller, chairman; P. C. Brooks, vice-pres.; C. J. Brittain; R. H. Morse, C. H. Morse, W. E. Miller, F. M. Boughey, C. G. Drinkwater, H. F. Walker, sec. and treas., T. M. Cullen, asst. treas.

Profit and Loss—

	1924	1925
Profits	$ 56,083	$ 244,010
Other profits	45,898	......
Total profits	$ 101,981	$ 244,001
Interest	68,962	39,002
Pension	14,998	14,146
Depreciation	29,619	32,961
Bad debts	......	16,231
Trans. to res.	160,117	......
Taxes	......	19,000
*Red. in surplus ...	7,310	5,865
Pref. dividends	......	......
Balance	†$179,025	$ 116,805
Prev. bal.	1,884,207	1,705,182
	$1,705,182	$1,821,987

*Resulting from forfeiture and cancellation of common stock.
†Debit.

Nine Years' Earnings—

Year	Earnings	Dividends	Surplus
1917	$1,033,817	$571,000	$1,340,440
1918	1,310,598	378,000	1,762,538
1919	625,150	218,000	2,076,607
1920	279,562	313,153	3,726,699
1921	*1,361,004	90,000	2,168,760
1922	104,709	90,000	2,058,693
1923	139,166	90,000	1,884,206
1924	101,981	.....	1,705,182
1925	244,010	.....	1,821,987

*Loss

Market Record—

	1924 H	1924 L	1925 H	1925 L	1926 H	1926 L
Pref.	67	64⅝	46	43	60	60

English Electric

Profits Probably Have Grown Due to Larger Volume of Orders

English Electric Co., with its subsidiary, the Canadian Crocker-Wheeler Co., has done a larger volume of business in 1926, it is understood, than in 1925. Important contracts were procured in the period and some of these will carry over into 1927. Among the orders on hand was a contract for complete electrification of the Noranda mines, deliveries to take place in the next four months.

English Electric Co. was incorporated in 1921. It is associated with, and holds for Canada exclusive manufacturing rights in perpetuity of the company of the same name in Great Britain. The English company has an old established business as electrical and general engineers. The Canadian company also holds the right to export to the United States and Newfoundland. The Canadian Crocker-Wheeler Co., control of which was bought in 1921, plans were completed for the handling of heavy plant, including electric locomotives and large generating equipment.

Factories are at St. Catharines, Ont.

Capitalization—

	Authorized	Outstanding
Com. ..	30,000 shrs.	30,000 shrs.
No par value.		
Pref. ..	$2,000,000	$2,000,000

Par $100.

Dividend Record—
Preferred, 8 per cent. per annum, payable, Mar., June, Sept. and Dec. First paid Mar. 31, 1922. Passed for quarter ended Dec. 31, 1922; 2½ per cent. paid Aug., 1925, on arrears; 3½ per cent. paid June, 1926, leaving 28 per cent. in arrears as at Dec., 1926.

Officers and Directors—
R. A. Stinson, pres. and gen. mgr.; Gordon F. Perry, chairman of the board; Hon. F. H. Phippen, R. Home Smith; D. H. McDougall, T. H. Watson, Col. N. D. Perry, D.S.O.; Lord Meston, K.C.S.I.; Lt.-Col. J. H. Mansell, K.B.E.. D.L.; P. J. Pybus, C.B.E.

Profit and Loss—

	1924	1925
Profit	$ 95,092	$ 64,004
Depreciation	40,000	40,000
	55,092	24,,004
Pref. dividend	......	50,000
	$ 55,092	*$ 25,996
Prev. bal.	264,751	319,844
Balance	$319,843	$293,848

* Deficit.

Rate of Earnings—

	1923	1924	1925
% on pref.	1.78	2.75	1.20

Four Years' Earnings—

Year	Earnings	Dividends	Surplus
1922	*$ 2,452	$124,404	$229,092
1923	75,660	....	264,752
1924	95,092	....	319,844
1925	64,004	50,000	293,848

* After depreciation.

National Brick

Building Activity Should Have Increased Earning Power

While it is the policy of the National Brick Company of Laprairie, only to give out information regarding the progress which is being made, at the annual meeting, yet for the fiscal which closes February 28 next, it will prove surprising if earnings during the year do not show an increase, for the level of building and construction during 1926 was materially higher than in the preceding year. Over the past few years the level of earnings has been disappointing, due in part to the keen competition.

The company operates four plants all situated in the province of Quebec. The capacity of these plants amounts to about 485,000 bricks per day and 100 tons of hollow building tiles per day. One plant is devoted exclusively to the manufacture of the latter. The plants are advantageously situated with regard to the supply of raw material and operate with electric power under favorable long term contracts.

The number of persons employed varies from around 385 to 500, according to the season. Many of these employees are housed in the cottages which the company owns at Laprairie and Delson, P. Q.

Capitalization—

	Authorized	Outstanding
Common	$2,000,000	$2,000,000
Preferred	3,500,000	3,339,600

7% cumulative.

Funded Debt—
6% bonds, due 1951, not outstanding, but are held in treasury to be used as collateral against bank loans, $750,000.

Dividend Record—
Initial quarterly dividend of 1% on preferred, paid Aug., 1924; Nov., 1924, 1%; Feb., 1925, 1%; May 15, 1¾%, and quarterly since. On common, initial quarterly dividend of 1¼%, paid March, 1913, and quarterly thereafter to June, 1914, inclusive; none since.

Officers and Directors—
C. C. Ballantype, pres.; Paul Galibert, vice-pres.; A. T. Alexander, sec.-treas.; F. H. Wilson, W. E. Muir, A. A. Ayer, A. Joyce, H. R. Trenholme.

Profit and Loss—
Year end,. Feb. 28:

	1925	1926
Oper. profit	$254,323	$259,507
Res. for renw.	x51,311	50,000
Balance	$203,012	$209,507
Income tax	21,106	21,788
Balance	$181,906	$187,719
*Dividends	100,188	233,772
Surplus	$ 81,718	†$ 46,053
Prev. surp.	231,963	313,681
P. & L. bal.	$313,681	267,628

x Deficit.
* On preferred stock.
† Including $1,311 for bad debts.

Five Years' Earnings—

Year	Earnings	Dividends	Surplus
1921-2 ..	*$ 87,637	$	*$792,849
1922-3 ..	220,127	.....	* 640,375
1923-4 ..	225,785	.....	231,964
1924-5 ..	254,323	100,188	313,681
1925-6 ..	259,508	233,772	267,629

* Deficit.

Dominion Alloy Steel

Galvanizing Unit Operates at Rate of 40 Tons Per Day

The Dominion Alloy Steel Co. is a company which is in the production stage, so far as galvanizing sheet metal is concerned, but is still in the development stage with regard to the other and primary steel processes. A plant has been erected at Sarnia which employs regularly about 45 men, most of these being unskilled labor. The production is about 40 tons every 24 hours and, according to W. B. Boyd, president, it is readily marketable at a profit.

About $1,300,000 in stock has been sold to 8,000 persons in Michigan and Ontario. While it is asserted the balance sheet will show a profit for the last six months of 1926, it is admitted that no dividends can, or will be paid.

The company gets its blacksheets, the raw material used in the galvanizing plant, from the Youngstown Sheet & Tube Co., the largest of the steel independents in the United States engaged in this line of busisness. The existing building at Sarnia leaves room for expansion, but it is not decided as yet when additional units will be installed.

The president of Dominion Alloy Steel is an engineer of recognized ability and integrity and is well acquainted with the steel business. He was long with the Mackenzie & Mann interests and before that was assistant chief engineer with the Illinois Steel Co., South Chicago, and chief engineer of the Dominion Iron & Steel Co. He evidently has unbounded faith in the company and its ability to work out its destiny eventually. He ventures no opinion as to whether the existing galvanizing plant can earn dividends on the capitalization.

Capitalization—

	Authorized	Outstanding
Common	$7,500,000	$5,000,000
Preferred	7,500,000	900,000

8 per cent. convertible. Par of both issues, $10.

Funded Debt—
None.

Dividend Record—
Preferred stock has preference for assets and dividends and is entitled to 8 per cent. cumulative dividends from Jan. 1, 1924. Dividends payable Jan. and July. None paid on common.

Officers and Directors—
W. B. Boyd, pres.; C. H. Wills, R. V. Le Sueur, W. H. Kenny, C. A. Orr, N. L. Le Sueur, sec.

Capital Trust Profits Show Increase for 1926

Capital Trust Company showed increased profits for 1926 and, in consequence, surplus has increased from $34,171 to $44,372. Comparative earnings figures follow:

Profit and Loss

	1926	1925	1924
Profits	$39,051	$37,284	$42,529
Bal. forward	34,171	45,399	56,242
	$73,222	$82,683	$98,771
Dividends	24,145	23,512	23,372
Conting. res.	....	10,000	15,000
Off assets and sec.	4,705	15,000	15,000
Balance	44,372	34,171	45,399
	$73,222	$82,683	$98,771

Eight Years' Record

Year	Paid-up Capital	Profits	Div.	% Prof. Av. Cap.	Earn. Rate
1926	$614,921	$39,051	4	6.4	6.1
1925	603,648	37,284	4	6.3	5.8
1924	596,569	42,529	4	7.3	6.1
1923	590,896	42,001	..	7.1	6.3
1922	580,578	41,344	..	7.1	6.4
1921	564,404	30,209	4	3.8	3.3
1920	546,063	27,256	4	5.6	5.0
1919	488,241	26,375	4	5.4	5.0

Savings in the form of accounts and certificates have increased from $2,217,000 to $2,708,000, and estates and agencies from $4,325,000 to $4,908,000. Total assets amount to $8,336,647, an increase of $1,096,000.

Canada Landed Has Lower Mortgage Assets

Some further restriction in the business of Canada Landed and National Investment Company is indicated in the annual report for 1925, now available. Assets have declined from $6,323,842 to $5,817,821. A smaller amount of mortgages is carried among assets, the decline being from $4,238,024 to $3,987,828.

Earnings, as was to be expected from the decline in mortgage holdings, are somewhat smaller. On the other hand, net profits after payment of interest, have shown an increase from $136,969 to $149,112. Comparative figures below:

Profit and Loss

	1926	1925	1924
Earnings	$393,269	$413,059	$425,400
Interest	167,715	187,119	197,034
Prov. taxes	3,784	3,774	3,610
Dom. taxes	11,298	21,263	19,713
Management	57,767	57,500	58,585
Commissions	3,593	6,434	14,924
	244,157	276,090	293,866
Net profits	$149,112	$136,969	$131,534
Distribution			
Dividends	$120,500	$120,500	$120,500
Bonus	12,050	12,050	....
Balance	16,562	4,419	11,034
Prev. balance	57,539	53,120	42,086
	$74,100	$ 57,539	$ 53,120

After payment of the usual dividends of 10 per cent. plus 1 per cent. bonus, there was $16,562 to add to surplus.

Attendu Breaks Badly; Hitch in Negotiations

From Our Own Correspondent.

MONTREAL.—The shares of Attendu Engines, which are listed on the Montreal Curb Exchange, gave a real demonstration of their instability by breaking from 28 to 15 in one day. The decline in the shares bears mute evidence of the speculative element in the shares and gives witness that the future possibilities of the company, while great, are still based on little else than hopes. The high for the shares last year was 45.

Many rumors have been in circulation regarding the cause of the drop, most of which are without foundation. One rumor which appears to have a decided basis of fact was to the effect that a hitch has occurred regarding the sale of the engines to the U. S. Coastguard department. Officials of the company, however, have not made any official explanation which would account for the selling of the stock.

On the best information available it would appear that the weakness of the stock and the crop of rumors have their basis in the situation affecting the tender on the engines for U. S. Coastguard vessels. There appears to be grounds for believing that there was a deficiency in the Attendu Engine tender which may result in the contract not being awarded.

FOREIGN EXCHANGES

Sterling is Down; France Ships Gold

Conducted by S. J. ZACKS.

A repetition of the movements that occurred last week may be described as the important characteristic of the week's trading. There were one or two exceptions. Movements on the whole were narrow and trading rather slight. Sterling was heavy and sold down to $4.85. Speculative interests remain the important factors in Norwegian and Spanish currencies. Brazilian milreis moved upward, approaching the stabilization point.

The weakness which brought sterling down over a full point below the price at the same time last year has come as a surprise. Several factors are responsible. Some say it is due to a coming reduction in the Bank of England rate and that the effects are being discounted. The Chinese situation, too, might be a bearish factor, while it is also pointed out that the after effects of the coal strike are still in evidence. A combination of all three factors might be a possible explanation of the uneasiness in sterling.

France Ships Gold

Huge shipments of gold by the Bank of France to New York have provoked considerable thought. What is behind this move? Does France expect to stabilize the franc without the aid of foreign credits? Will her balance abroad be sufficient to constitute a reserve for stabilization purposes? Poincare would like to be able to do such a thing and thus eliminate or postpone for some time the matter of debt settlements.

The most plausible explanation of France's gold shipment is that she is sending the metal to meet requirements in New York rather than disturb the pegging operation by the purchase of foreign currency. The metal is probably part of that purchased by the Bank of France recently and not carried in the bank statement under gold reserve.

Peruvian Pound Prominent

Pesetas rose to a new high on a speculative forward movement. Rumors of foreign borrowings have been prominent. There has been no public intimation of Spain's actual intention, though several New York and London banks are supposed to have representatives in Spain.

Peruvian pounds advanced sharply on the news of negotiations for the purchase by an American banking group of $12,000,000 bonds of the Peruvian republic to be secured by income from tobacco monopoly.

United States funds are firm, with gold still moving from Canada.

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
Jan. 20	5-32	5-32	7-32	5-32
Jan. 21	5-32	5-32	3-16	11-64
Jan. 22	5-32	5-32	11-64	11-64
Jan. 24	5-32	5-32	3-16	11-64
Jan. 25	5-32	5-32	13-64	13-64
Jan 26	5-32	5-32	13-64	3-16

STERLING, FRANCS, AND LIRE

	Sterling Close	Francs Close	Lire Close
Jan. 20	4.85 1/16	3.95¾	4.33¼
Jan. 21	4.85	3.95½	4.33¾
Jan. 22	4.85	3.95½	4.33¾
Jan. 24	4.84 15/16	3.95	4.29¼
Jan. 25	4.84 13/16	3.94¾	4.28¾
Jan. 26	4.84 15/16	3.94	4.29¾

FOREIGN EXCHANGE

Par		Jan. 19	Jan. 26
19.30	Italian	4.32¾	4.31
32.45	Brazilian	11.75	11.75
23.82	German	23.77	23.74
19.30	Belgium	2.79	2.79
84.85	Japan	48.80	48.87

The Fegles Construction Co. has begun work on the new working-house and other extensions of the N. M. Paterson & Co's. elevator at Westfort, near Fort William, that will involve $1,000,000 or so.

We Are Not Interested In Promotions

Our opinions on mining stocks and the analyses which we prepare at various times on mine and market conditions are not colored by any personal interests whatsoever.

To the investor we offer intelligent and unbiased information on mining shares. Should he then decide on a market commitment, we have all the facilities to accurately execute his commissions.

Drop in and see our new board room, and consult us with your inquiries.

FLEMING & MARVIN
S. A. Marvin R. H. Scarlett
ESTABLISHED 1909
STOCK & INVESTMENT BROKERS
320 BAY STREET, ELGIN 5206

daily market bulletins
they will keep you abreast of the mining market!
free on request
Morgan U. Kemerer
Members Standard Stock Exchange
29 Melinda St. Toronto

BUY NOW
—Grover Daly—
—Capital Rouyn—
—Buckingham
Write, wire or phone for latest information.
Ontario Discount & Bond Corporation
LIMITED
Specialists in Northern Ontario and Quebec Mining Issues.
315 Metropolitan Bldg., Toronto Main 5100

Dominion Textile
Company Limited

NOTICE OF DIVIDEND

A Dividend of One and Three-quarters per cent. (1¾%) on the Preferred Stock of DOMINION TEXTILE COMPANY, Limited, has been declared for the quarter ending March 31st, 1927, payable 15th April, to shareholders of record 31st March.

By order of the Board,
JAS. H. WEBB,
Secretary-Treasurer.
Montreal, January 24th, 1927.

Notice of Dividend
FAMOUS PLAYERS
Canadian Corporation, Limited

Notice is hereby given that a dividend of Two Dollars ($2.00) per share for the quarter ending the 1st of February, 1927, has been declared upon the First Preference stock of the Company, payable the 1st day of March, 1927, to shareholders of record, Monday, the 31st day of January, 1927.

By order of the Board,
N. L. NATHANSON,
Managing Director.
Dated at Toronto this 20th day of January, 1927.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent. upon the paid-up Capital Stock of this Institution has been declared for the current quarter, payable on and after TUESDAY, the FIRST day of MARCH next, to Shareholders of record of 31st January, 1927.

By order of the Board.
FREDERICK WILLIAMS-TAYLOR,
General Manager.
Montreal, 21st January, 1927.

Dominion Textile
Company Limited

NOTICE OF DIVIDEND

A Dividend of One Dollar and Twenty-Five Cents ($1.25) per share on the Common Stock of DOMINION TEXTILE COMPANY, Limited, has been declared for the quarter ending March 31st, 1927, payable 1st April, to shareholders of record March 15th.

By order of the Board,
JAS. H. WEBB,
Secretary-Treasurer.
Montreal, January 24th, 1927.

SALE OF TIMBER

TENDERS WILL BE RECEIVED by the undersigned up to and including Tuesday, March 1, 1927, for the right to cut the Pulpwood and Log Timber on the South two-thirds of the Township of Menapia, the Township of Beniah, and the Southwest quarter of Thorning Township, in the District of Cochrane.

FURTHER PARTICULARS may be obtained upon application to the undersigned, or to Mr. D. J. Spence, Crown Timber Agent, Cochrane.

W. FINLAYSON,
Minister of Lands and Forests.
N.B.—No unauthorized publication of this Notice will be paid for.
TORONTO, January 21st, 1927.

TOWNSHIP OF KING DEBENTURES
For Sale by Tender.

Tenders will be received by the undersigned for the sale of
$73,784.64 Township of King
5½% Debentures.
issued by the Township of King, York County, Ontario, for drainage of the Holland River Marsh under By-law No. 476.

The Debentures will be dated January 1st, 1927, and bear interest at Five and one half per cent. payable annually on the First day of January in each year for thirty years in equal annual instalments of $5420.81 including Interest and Principal.

The Debentures will be issued in denominations of $500 and $1,000, and fractional amounts to suit purchaser. Interest and principal will be payable at the Bank of Montreal, King City and also Toronto, Ontario.

Sealed Tenders to be addressed to J. L. Jenkins, Township Clerk, marked "Debenture Tender" on or before the 10th day of February, 1927, and will be opened at 2 o'clock, P.M., February 12th, at King City. Lowest or any tender not necessarily accepted.

The Township of King has an assessment of nearly $4,000,000, a Debenture debt of $23,000, a School Fund Reserve of $40,000.

J. L. JENKINS, Township Clerk,
King City, Ontario.

FOR SALE BY TENDER
$11,000
Village of Port Rowan, 6% Bonds (Hydro)

Twenty bonds of odd amounts payable one each year increasing from $299.03 payable in one year to $904.75 payable in twenty years. Coupon bearing, interest annually. Payable at the office of the Municipal Treasurer at Port Rowan, Ont.

Population 696. Approx. area 500 ac. Assessment for taxation $298,075.00.

Present Debenture debt (exclusive of secured Local Improvement debentures) $9,262.18. This is repayable to Village by County of Norfolk annually as each instalment paid. Thus this Municipality has for all practical purposes no debenture debt.

Tenders will be received for the above up to 2 o'clock p.m., Feb. 7th, 1927. All tenders to be mailed or delivered and addressed to the undersigned. The highest or any tender not necessarily accepted.

C. F. W. ATKINSON,
Treasurer, Village of Port Rowan,
Port Rowan, Ont.

INTERNATIONAL PAPER COMPANY

New York, December 29, 1926.

The Board of Directors have declared a quarterly dividend of Fifty Cents (50c) a share on the Common Stock of this Company, payable February 15th, 1927, to Common stockholders of record at the close of business February 1st, 1927.

Checks will be mailed. Transfer books will not close.

OWEN SHEPHERD, Treasurer.

The Canadian Bank of Commerce

The annual meeting of the shareholders of this Bank for the election of Directors, and for other business, will be held at its banking house, Nos. 23 to 25 King Street West, Toronto, on Tuesday, the 11th day of January next. The chair will be taken at 12 o'clock noon.

By order of the Board,
S. H. LOGAN,
General Manager.
Toronto, November 26th, 1926.

The Royal Bank of Canada
DIVIDEND No. 158

NOTICE is hereby given that a DIVIDEND OF THREE PER CENT (being at the rate of twelve per cent per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Tuesday, the first day of March next, to shareholders of record at the close of business on the 31st day of January.

By order of the Board,
C. E. NEILL,
General Manager.
Montreal, Que., January 14, 1927.

BROKERS ATTENTION

Brokers, agencies and others interested in handling an allottment of special interest in a gold mine development issue, in the Kirkland Lake Gold Area, will be forwarded advance circular upon receipt of request.
Address in first instance
W. J. POST,
North Cobalt, Ontario

Dividend Notice
MASSEY-HARRIS COMPANY, LIMITED

Preference Stock Dividend No. 5

Notice is hereby given that a dividend of 1¾% on account of dividends for the present fiscal year has been declared on the 7% Cumulative Preference Stock of the Company.

The above dividend is payable on and after the fifteenth day of February, 1927, to shareholders of record at close of business on the fifth day of February, 1927.

By Order of the Board,
C. N. APPLETON, Secretary.
Toronto, January 17th, 1927.

LAKE OF THE WOODS MILLING COMPANY, LIMITED

DIVIDEND NOTICES

Notice is hereby given that a Dividend of 1¾ per cent. on the Preferred Stock of LAKE OF THE WOODS MILLING COMPANY, LIMITED, for the three months ending February 28th, 1927, has been declared payable on Tuesday, March 1st, 1927, to Shareholders of record at the close of business on Saturday, February 19th, 1927.

By Order of the Board,
M. H. HUTCHISON,
Secretary.

LAKE OF THE WOODS MILLING COMPANY, LIMITED

Notice is hereby given that a Dividend of 3 per cent. on the Common Stock of LAKE OF THE WOODS MILLING COMPANY, LIMITED, for the three months ending February 28th, 1927, has been declared payable on Tuesday, March 1st, 1927, to Shareholders of record at the close of business on Saturday, February 19th, 1927.

By Order of the Board,
M. H. HUTCHISON,
Secretary.

WAYAGAMACK PULP & PAPER COMPANY, LIMITED

Dividend No. 8

Notice is hereby given that a Dividend of Seventy-five Cents (75c.) per share has been declared on the No Par Value Common Stock of the Company, for the quarter ending February 28th, 1927, payable March 1st, 1927, to Shareholders of record at the close of business on February 15th, 1927.

By order of the Board,
D. L. ADAMS,
Secretary-Treasurer.
Montreal, Que.,
January 20, 1927.

THE TORONTO GENERAL TRUSTS CORPORATION

Notice is hereby given that the Annual General Meeting of the Shareholders of the Toronto General Trusts Corporation will be held at the Head Office of the Corporation, at the corner of Bay and Melinda Streets, in the City on Toronto, on

Wednesday, the 2nd day of February, 1927
at 12 o'clock Noon

to receive and consider the Annual Report and Financial Statements of the Corporation for the year ended 31st December, 1926, to consider amendments to existing by-laws; to elect Directors for the ensuing year, and for the transaction of such other business as may be brought before the Shareholders.

By order of the Board of Directors.

Toronto,
January 18th, 1927.

W. G. WATSON,
General Manager.

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Special Section — Pages 17-32 PUBLICATION OFFICE: TORONTO, JANUARY 28, 1927 Special Section — Pages 17-32

Increased Volume of Business Experienced by Producers of Steel

Demand in Practically Every Line Was Better

FISCAL POLICY NEEDED

Low Tariff Allows Heavy Importations at Prices Which Canadian Firms Cannot Meet

With scarcely an exception, iron and steel companies all reported substantial increases in business during the past year, as compared with the preceding twelve-months period. In some cases the increase was as high as 40 per cent., but generally speaking the average was about 20 per cent. over that of the previous year.

Demand in practically every line was heavier. Replacement and renewal of equipment, which has been so long delayed, was carried out extensively. The improvement in general business necessitated this and in addition the heavier volume of orders made it imperative that manufacturing plants be in good shape owing to the necessity of cutting down all unnecessary expense in order to meet the keen, competitive prices brought about by hand-to-mouth buying or "distributive purchases."

Allied Industries Active

The motor car and construction industries were the leading purchasers of iron and steel during the year. The volume of new building undertaken, as mentioned elsewhere in this issue, was greater than it has been in the past twelve years. Industrial and engineering projects, in particular, were numerous and as a consequence demand for structural steel was unusually heavy. The growing use of concrete has not affected the demand for steel to any large extent. Concrete needs reinforcement with steel bars, and this alone assures heavy consumption. Moreover, in the construction of pulp and paper mills—the principal industrial construction—structural steel has been used almost exclusively. This is made necessary by the machinery, the need for secure anchorage for the machines, and the irregularity of the floor levels of the paper mills.

Motor car manufacturing has now entered into a new phase of activities on account of the increasing popularity of closed models. This has brought about the use of more steel for body building, which has created buying far in excess of previous purchases. The lengthening mileage of good roads and improved credit schemes, have also been instrumental in widening the markets for motor cars and production has been stepped-up in order to cope with this added demand over and above annual replacements.

Despite unusually heavy earnings of the railways during the past years, orders for rails and equipment were light. There is need for further equipment, but the companies have withheld orders on any large scale, probably due to the uncertainty of the freight rates question. The immediate outlook, however, is encouraging in that the railways have signified their intention of placing a number of contracts for steel rails and bridges, as well as for replacement of worn equipment and adding to their supply of passenger and freight cars.

Fiscal Policy Wanted

Aside from the improvement in domestic consumption, the industry is still in need of a balanced fiscal policy, which will allow of more equitable competition with foreign manufacturers. Efforts have been made to revise the tariff, but to date the situation remains unchanged. It is pointed out, that the relatively high cost of production in the Dominion, compared with the mass output of American mills and the low manufacturing costs of European countries on account of depreciated currency, has placed the Canadian manufacturer in a position where he is unable to successfully cope with this unfair competition and at the same time secure a reasonable return on capital invested.

In the past two years, the situation has become more aggravated. The surplus output of American plants and, in a smaller measure, that of mills in France, Germany and Belgium, has been dumped in the Dominion at a price sometimes considerably below what is being asked by Canadian producers of the same product. A survey of the position shows that the picture is not overdrawn. Last year, pig iron production in Canada was about 30 per cent. greater than in the previous year, while at the same time, steel ingots and castings show an increase of from 3 to 4 per cent.

Foreign Competition Strong

This apparently indicates a healthy increase, but comparison with the rate of growth in other industries, shows that the primary iron and steel production did not increase in the same ratio. The inference then is that production was short of demand, but the rated capacity of the mills is more than sufficient to supply the needs of Canada for many years to come. The spread between production and demand was, therefore, made up of imports. Reference to the trade returns for the twelve months ended November 30, 1926, show the value of iron and steel and its products brought into Canada to have been the largest ever recorded and approximately one-third greater than in the preceding year. It is obvious that if suitable tariff regulations had been in force during this period, Canadian manufacturers could have supplied a large proportion of these imports and consequently their showing for the year would have been more comparable with that of other industries which benefited to the fullest on the general improvement in business.

All in all, however, the industry experienced a relatively prosperous year. While the value of production was not as great as the volume of output would indicate, operations were on a good scale during the greater part of the year. Meantime, the outlook is hopeful. Primary production of iron and steel depends upon activities in such lines as construction, automobiles, rails, machinery, farm implements, etc., and the trend of these industries is expected to be upward, rather than downward during 1927.

Production in Iron and Steel Makes Gain

Demand for iron and steel and its products was satisfactory during the past year, operations in blast furnaces and rolling mills, as well as in the metal products plants running to capacity at times. The greater activity in construction, industrial and mining developments, automobile and farm equipment manufacturing, were principally responsible for the improvement and due allowance being made for seasonal contraction in December last, it is estimated that primary output was the greatest in the past five years, with the exception of 1923.

Pig iron production in 1926 amounted to 737,503 long tons, as compared with 570,000 tons in the previous year This represents a gain of 24 per cent.

The showing made in steel production was not up to the standard set by pig iron. Three times during 1925, monthly production of steel passed the 100,000-ton mark, but not once during 1926 did output exceed 90,000 tons a month.

Long Awaited Prosperity is Likely to Arrive This Year

By W. C. FRANZ,
President, Algoma Steel Corporation

News of branch line developments on the part of the Canadian National and Canadian Pacific Railways comes as cheering information to all the people of the Dominion, since it evidences the faith of these gigantic transportation systems in the future of the country, and it is particularly pleasing to steel producing communities and firms.

W. C. FRANZ.

I believe that with liberal purchases on the part of the railways in the spring, with a stable government now in power after a period of uncertainty in political matters, and with favorable treatment of Canadian industries by the tariff board and the government, the celebration to which we are looking forward on July 1 next should see this Dominion well on the way to that prosperity which we have been hoping for and awaiting for several years past.

If this does not prove to be the case, the one thing which will be largely responsible will be the slowing up in industrial activity which appears to be taking place in the United States, as Canadian conditions are inclined in a general way to follow movements in the States at a distance of from three to nine months.

All things considered, prospects for the coming year in Canada look very promising.

Mines Draw Heavily on Steel Industry

Interest in the mining fields of Quebec and Ontario, as well as in other provinces, is more pronounced at present than any other time in the history of the industry. Many millions of dollars have been and are being spent on exploitation, development and operations. Capital is pouring in from the United States, England and other countries. New areas are being opened up, new mines added to the list of producers, but despite the unprecedented activity, the mineral resources of the country have been scarcely touched.

To bring about this development, heavy capital expenditure has been required in the way of prospecting, labor and supplies. Of the mineral production last year, valued at $242,000,000, approximately $90,000,000 represents disbursements on supplies. Food, clothing and rent naturally top the list, but aside from these items, the most important is materials for operations. Mine hoists, cables, cars, motors, machinery, hand tools and other equipment, are only a few of the iron and steel products required in this connection.

Rapid Increase in Demand

Demand from this source has grown remarkably in the past five years, but attention paid to production and records of individual mines, has tended to overshadow the significance of this additional purchasing power. Many companies now look to the mining industry for a large proportion of their business, and while individual orders are probably not as large as those placed by other industries, their aggregate involves the expenditure of several million dollars.

At the present time, mining developments in the Rouyn, Goudreau and other new areas have reached the point where a number of mills will shortly be erected. This means the purchase of new equipment, as well as structural steel and other items, which will benefit the iron and steel industry as a whole.

Canadians in 1926 Bought 160,000 New Motor Cars

890,000 Cars Are Registered in Nine Provinces — Ontario Leads, With Prairies Second — Expenditure is $12 Per Capita

Growth of the partial payment plan of purchase and the increasing demand for closed models, were salient features of the automobile industry activities during the past year. The former has been chiefly responsible for the excellent showing made in the past eighteen months and while this method of financing has been criticized as being an artificial stimulation of demand and one which will ultimately react to the disadvantage of the industry, the concensus of opinion among leading men in the industry is that instalment buying, properly controlled, is to be encouraged. A careful check on this method of financing has shown that the percentage of loss due to non-fulfilment of contract to have been exceedingly small, amounting to less than one per cent. of the total transacted business.

The growing public appreciation of the superiority of the closed-model car, has made it a best seller. It is particularly suitable to the Canadian climate, more so than the open type, which often is put in storage for several months of the year. Production of this model has been greatly increased in order to cope with the demand and during the past year, manufacture of this type was in excess of any other make.

Furthermore, rapid development of surfaced highways has resulted in stimulating the use of automobiles, both for pleasure and business. The Dominion government has been active in fostering the construction of additional highways and surfacing, existing gravel and dirt roads. In this connection both the Dominion and provincial highway departments have spent several millions of dollars and plans have been drawn up for additional work to be carried out during the next year or so.

Industry Ranks High

In comparison with other industries, the manufacture of automobiles ranks fifth or sixth in importance from the standpoint of value of production. At present there are eleven plants in operation, in which the capital invested amounts to nearly $75,000,000. These plants give employment to over 10,000 workers, to whom salaries and wages are paid totalling $17,000,000. Moreover, there are a number of activities associated with the industry, such as the manufacture of accessories, dealers, garages, etc., which lend added importance to this phase of industrial operations.

During the past year, a new high production record for all time was established. While a normal increase over the preceding year was to be expected in view of the more prosperous conditions in the country and consequent increase in buying power of the individual, results achieved were better than anticipated. In the eleven months ended November last, cumulative production of motor vehicles totalled 197,364, as compared with an output of 161,970 units for the whole of the preceding year. The value of cars made based on selling price, f.o.b., plant, was $120,008,584, as against $98,532,591, the final figures for 1925. Production figures for December, as yet unavailable, will further increase the difference both in quantity and value over the previous high mark.

Spent $115,000,000 on Autos

It is estimated that of the total production for the past year, approximately 160,000 were marketed in Canada. This means that Canadians spent on automobiles last year about $115,000,000. On the basis of per capita expenditure, the outlay in this connection was over $12. It is doubtful if there is any other country in the world which spent so much per head of population on automobiles.

Registrations Total 890,000

By adding the number of cars in use at the end of 1925 to the apparent consumption for 1926, after allowing for cars withdrawn from service, it is estimated that the number of automobile registrations in Canada at the end of last year totalled 890,000. Ontario had the greatest density of motor vehicles per 100 of population during 1925. The Western Provinces show a much greater density than Quebec and the Maritime provinces, owing to the more general use of automobiles by farmers. The following table shows the registration of motor vehicles in the Dominion, by provinces, at the end of 1925, the latest year for which complete statistics are available:

Canada	723,882
P. E. Island	2,947
Nova Scotia	22,745
New Brunswick	18,863
Quebec	97,418
Ontario	342,390
Manitoba	50,916
Saskatchewan	78,120
Alberta	58,996
British Columbia	56,375
Yukon	112

Saturation Point Distant

The experience of the motor car industry in the United States would seem to indicate that Canada is still a long way from reaching the saturation point in consumption. Returns of the bureau of statistics show that since 1920, the apparent consumption has steadily increased from year to year. Nearly 80,000 vehicles were marketed in the Dominion in 1920. The number increased to 88,666 in 1923 and again jumped to 102,110 in 1925, while for the past year, as previously mentioned, consumption was about 160,000. Despite this remarkable showing, Canada is still behind the United States in the number of automobiles per 100 population and till such time as ratio approaches that of the other country, there is little likelihood of over-production in the Dominion.

Electric Development is Bettering Steel Trade

Machine Equipment in Hydro Plants Involves Expenditure of Millions — Market Widening for Household Appliances

Contemplated hydro power developments, combined with those in course of construction, hold forth promise of a large amount of business for electrical equipment manufacturing in Canada. Installations of power equipment, which have already taken place, put the Dominion in the forefront as one of the world's principal producers and consumers of electricity. Rated capacity of plants already in operation, totals about 4,500,000 h.p., most of which is in Ontario and Quebec, though other provinces also have extensive developments.

The magnitude of the Dominion's water power resources and relatively low cost of development, have drawn capital from all parts of the world for further exploitation. Due allowance being made for all the varying factors entering into the development and use of hydraulic power, a conservative estimate of the capital investment in Canadian water powers amounts to over $842,000,000

Heavy Outlay on Equipment

In the past twenty-five years, during which the water power developments have been most active, a large percentage of the money invested has gone into equipment, supplied in a large measure by Canadian companies. Turbines, water wheels, motors, dynamos, steam reciprocating and internal combustion engines are a few of the principal items of expenditure on equipment. Transmission lines, transformers, condensers, tools, etc., are other products upon which millions of dollars have been spent.

In addition to the manufacture of primary equipment, considerable business has developed through the increasing use of electricity for power purposes in industrial operations. Its cheapness and controllability have found favor with practically all of the larger industrial concerns. Here again, the manufacturers of electrical equipment have been called upon to supply special apparatus and the many new industries starting up, owing to the plentiful supply of hydro power, have developed, an important source of revenue for the electrical companies.

With the growth of available power, has come an increasing demand from domestic consumers, which in turn has stimulated demand for electric light fixtures, heaters, irons, toasters, vacuum cleaners, washing machines, and other household equipment. At the present time there are approximately 1,000,000 domestic users of electricity—a market which, as yet, has only been partially doveloped. Ontario, with its great publicly owned system, naturally offers the best market. Quebec is second. The standing of the other provinces in this respect, is shown in the following table covering the number of domestic users:

Prince Edward Island	3,061
Nova Scotia	31,667
New Brunswick	21,955
Quebec	271,475
Ontario	416,376
Manitoba	76,260
Saskatchewan	32,219
Alberta	44,904
British Columbia	90,209
Yukon Territory	354

Use of Appliances Light

A survey made under the auspices of the Association of Edison Electric Illuminating Companies to determine the use to which electricity is put in the home showed that 83 per cent. of all electricity is used for lighting. The survey covered 10 cities, comprising a total of 6,512 residents. Averaging all classes gave the following results:

	Per cent.
Electric lamps	83.00
Electric flat irons	13.00
Washing machines	1.00
Toasters	0.8
Vacuum cleaners	0.7
Bowl heaters	0.3
Coffee percolators	0.3
Curling irons	0.08

These figures, which are equally applicable to Canadian cities, would indicate that the use of electrical appliances in the average home presents an unlimited field for extension of electric service, the convenience of which many people are only beginning to appreciate, Moreover the demand from commercial customers for electrical equipment as well as new power stations, is steadily increasing and the outlook for further improvement in business during 1927, is decidedly encouraging.

Seasonal Nature of Building Trade Passing as Activity Expands

Quick Returns on New Structures Feature Operations at Present

OUTLOOK IS PROMISING

Lower Trend in Material Prices, Decreased Financing Cost Help to Stimulate Demand for Construction

Rapid strides have been made in the past two or three years toward lengthening the season for construction operations. The severity of Canadian winters has, in the past, militated against any extensive work during the winter months, but new and improved methods of building and greater variety of materials, has enabled contractors to carry on long after freeze-up. This has been beneficial to the industry as a whole, in that equipment and capital has been more fully realized on, thus cutting down overhead, maintenance and other charges. Construction costs, consequently, have been at a lower level during the past year or two than for some time past.

Quick Returns on New Building

Contrasted with the before-the-war railway building era, the capital expenditures of today are in a very high degree converging on works, which almost immediately pay their way and add substantially to the national income. This has been a feature of new building. It is realized that to tie up money in extensive building operations is not only bad business, but economically unsound. Instead of undertaking the building of one huge plant, the tendency is to build in units. Thus bringing into use the plant as a producer with the least possible delay and expenditure.

The same principle, more or less, applies to residential dwellings. It is now the common practice for a contractor to purchase a large piece of land and construct thereon a number of houses modelled along the same lines, with slight modifications, each house being sold as finished. This enables the builder to put up a type of house at a cost much below the price of an individual job. The saving on mass production is passed along to the purchaser and by this means, the contractor opens up a market which assures him plenty of scope for his activities. Financing of these undertakings is usually done by a building loan association or mortgage company and the apparent success of this venture has made it comparatively easy for the builder to secure loans at a low rate of interest.

Apartment House Popular

In the more densely populated cities, the apartment house has been increasing in favor. Many of them are very elaborate structures, combining all the latest innovations and conveniences for the comfort of the occupant. The advantages of this type of dwelling over that of the detached or semi-detached house are obvious. Taxes, insurance, janitor service and other such items are looked after by the owners and the rental basis is so reasonable in comparison with the upkeep of an individual house, that apartment houses are steadily increasing in popularity.

Construction Well Sustained

Construction was well sustained during the past year and the value of contracts, amounting to $372,947,900,

(Continued on page 21)

Steel and Construction Stocks

	Div. Rate	Yield Jan. 15	Range 1924 High	Range 1924 Low	Range 1925 High	Range 1925 Low	Range 1926-7 High	Range 1926-7 Low	Close Jan. 22 (or last)
B.E. Steel, com.	..	..	6	⅝	4⅜	1½	3⅛	¼	1
Do. 1st pref.	..	...	57¾	22	36	22	30	9	17½
Do. 2nd pref.	..	...	17	6⅝	14⅝	5	10¾	1	2¾
Can. Car, com.	..	...	54	36¼	57⅝	30	50¼	33	49
Do. pref.	7	7.65	97	83½	90¼	73	92½	73	91½
Canada Cement, com.	6	4.56	93⅛	83	114	90½	135⅞	98	131½
Do. pref.	7	5.90	108	102½	117½	107	120	113	118½
Can. Fairbanks, pref.	..	...	67	64⅝	46	46	80	60	80
Canada Forgings, com.	..	...	31	19½	20	15	17	8	17
Do. pref.	..	...	60	43	50	35	70	41½	66
Can. Gen. Elec., com.	..	...	58½	52½	55	53	53	47	50
Do. pref.	7	6.03	56½	51⅛	60	50	60	53½	58
Canada Iron, com.	..	...	8	4¾	8	8	12	9	12
Do., pref.	4	...	35	25¼	40	32	44	39	44
Can. Locomotive, com.	..	...	72⅛	60	72	35	42	35	42
Do. pref.	7	8.04	92½	73½	90	75½	89½	73	87
Cockshutt Plow, pref.	4	5.33	..	..	..	..	83⅝	57¼	75
Dominion Bridge	4+2	5.08	84½	60	104	77	122¾	80	118
Dominion Coal, pref.	..	...	81	40	50	39¾	75	40	72½
Dominion Iron, pref.	..	...	57	24	30	20	24¾	5	5
Dom. Radiator, pref.	7	6.93	103	94	102½	98½	103½	100¼	101
Dominion Steel, pref.	..	...	73	33	38	20½	26	10⅝	22½
English Elec., com.	..	...	18	8½	10	8	24½	15	15
Do., pref.	..	...	60	47	58	45	75	59½	75
Ford Motor	10	...	485	440	512	488	622	500	504
Gould Pumps, pref.	7	7.00	94	89⅝	100	90	100¼	100	100
Kelvinator, com.	..	...	..	..	..	..	24½	9⅞	11
Do. pref.	7	7.84	..	..	..	..	95¾	88	89½
Lyall Construction	..	...	21	9	29	11	48	20	36
Massey-Harris, com.	..	...	..	..	..	..	73	40	69½
Do. pref.	7	6.66	..	..	..	..	105½	93	105
McKinnon Ind., com.	..	...	..	..	..	..	31½	15	21
Do. pref.	7	7.44	..	..	..	..	97½	87	94
N.S. Steel, pref.	..	...	68	34	32	21	25	20	20
Ontario Steel, com.	4	5.22	45½	39	75¼	41	78½	60	76½
Do. pref.	7	6.86	93	86	102	91¼	103	98	102
Page Hersey, com.	$3	5.33	..	..	..	..	59½	43	56¼
Do. pref.	7	6.00	..	..	..	..	120	100½	116½
Port Hope Sani., com.	3	2.30	61¼	48	85	53	130	74½	130
Do. pref.	7	6.60	90	90	100	88	106	99	106
Pressed Metals	..	...	26	10	45	15	40	30	36
Russell Motor, com.	1¼	6.12	35	17½	44½	24	50	39	49
Do. pref.	7	7.77	80	48	88	74¼	93	76	90½
Sawyer Massey, pref.	..	...	..	..	20⅞	5	13	5	5
Steel of Canada, com.	7	5.80	84½	69½	99¼	80	120½	95⅛	120½
Do. pref.	7	5.34	107⅜	99½	116	105	132	114	131
Sherwin-Williams, com.	6	4.19	129	100	135	115	148½	125	143
Do. pref.	7	5.80	106½	98½	115	104¾	120½	110½	120½

National Steel Car

Business for Year is Better, While Outlook Improves With Probability of Greater Railway Equipment Needs

With the railways buying somewhat more equipment than in recent years, and with orders on hand for trolley cars, the outlook for the National Steel Car Corp., Hamilton, appears somewhat better. Both steam lines and trolley companies have curtailed their purchases for a number of years and, with the country looking to some real growth in the next few years, it is anticipated that the works at Hamilton will be employed more nearly to capacity.

The year ended last June 30th was a considerable improvement over the previous year, operating profits of $151,102 being shown, as compared with a loss of $43,336 in the previous year. However, from the 1926 operating profit of $151,102 was deducted provision for depreciation of buildings, machinery and equipment amounting to $55,003 and interest on mortgage bonds at $81,600, leaving a balance of $14,499. There was a further deduction of $45,478, the result of cleaning up some old accounts in the automotive department and sale of used motor trucks that were on hand. This left a net loss for the year of $30,979. Previous balance was brought forward at $2,198,716, leaving profit and loss balance in the current report at $2,167,737.

The National Steel Car Corp. was formed in 1919 to take over the National Steel Car Co. as a going concern. The latter company was incorporated in 1912 and began operations in 1913. The works have been in almost continuous operation since, producing freight and passenger cars, patented dump-car equipment and manufacturing in five different capacities the widely known "National" motor truck.

Robert J. Magor, of Montreal and New York, in 1919 bought control of the company. To expand operations in manufacturing railroad equipment and motor trucks, the present company was formed with 100,000 shares of stock of no par value, with which it took over the old National company and paid $1,250,000 for the majority of the stock of the new company, the balance of 100,000 shares being given to the old company's shareholders in exchange for their stock. The shareholders also were given one half of the proceeds of an old war claim against the French government and the Paris, Lyons and Mediterranean railway.

The capacity of the company's plant at Hamilton is 7,000 steel and wooden freight and passenger cars per annum, besides other similar equipment and motor trucks.

Capitalization—

Authorized and issued: 100,000 shares. No par value.

Funded Debt—

	Authorized	Outstanding
6% 1st mortgage bonds, due 1930, all held by Bank of Commerce ..	$3,000,000	$1,360,000

Officers and Directors—

Robert J. Magor, pres. and chairman; Sir. John M. Gibson, K.C.; Donald Symington, vice-pres.; Henry H. Pierce; R. Givans, D. B. Dewar; C. W. Adam, asst. sec.-treas.; A. Van Hassel, asst. sec.-treas.

Profit and Loss—

Year end, June 30:

	1925	1926
Net profit	$ x46,336	$ 151,102
Depreciation ..	67,098	55,003
	$ †113,434	$ 96,099
Bond interest .	84,100	81,600
Other interest	......	......
Loss on trucks	......	45,478
Net profit	$ †197,534	$ †30,979
Prev. balance .	2,396,250	2,198,716
	$2,198,716	$2,167,737
Prov. for invt.	......	......
Surplus	$2,198,716	$2,167,737

x Net loss.
† Deficit.

Five Years' Earnings—

Year	Earnings	Dividends	Surplus
1922	x$ 79,734	......	$2,513,950
1923	142,887	......	2,395,937
1924	608,814	......	2,396,250
1925	x46,336	......	2,198,716
1926	151,102	......	2,167,737

x Loss.

Market Record—

(Unlisted)

	1924 H	1924 L	1925 H	1925 L	1926 H	1926 L
Stock	14⅝	11	15	5	16	7½

Canada Wire

Capitalization—

	Authorized	Outstanding
Common	$1,500,000	$1,500,000
Preferred	1,500,000	1,500,000

7 per cent. non-cumulative.

Dividend Record—

None.

Officers and Directors—

E. A. Wallberg, president; H. J. Boggis, secretary.

Ontario Steel

Company's Factories Are Busy With Auto Parts and Spades, Wagon Axles, Etc.

Ontario Steel Products is a company which consistently has shown good earnings. The results of operations in the year ended last June 30th were $165,651 net profits after depreciation, compared to $157,987 in the fiscal year 1925. The balance for the year was $35,151, after payment of all bond interest, and dividends on preferred and common stock. The surplus was thus brought up to $470,653.

This company is the outgrowth of two businesses at Gananoque, Ont., the Gananoque Spring and Axle Co., and the D. F. Jones Manufacturing Co., the former established in 1860 and the latter in 1852. In 1909 the company acquired the Dowsley company, Chatham. Plants now are operated at Gananoque and Chatham and an automobile spring works at Oshawa under the name of the Central Spring Co.

Its principal lines are wagon and motor vehicle springs and axles and spades, shovels, etc. The president's annual report for the year ended June 30th noted that, while the automobile spring and axle business has continued to show a good growth, there is also an increase in demand for parts for horse-drawn vehicles.

Capitalization—

	Authorized	Outstanding
Common	$2,000,000	$750,000
Pref. 7% cum. ...	750,000	750,000

Funded Debt—

Bonds 6%	600,000	398,500

First Mortgage due July, 1943, sinking fund.

Dividend Record—

Preferred paid quarterly. Common dividends started Aug., 1920, paid 8 per cent. to Dec., 1921, when it was reduced to 4 per cent. Passed for quarter ending March, 1922. Resumed by payment of 1 per cent. for August, 1923, and quarterly since. An extra dividend of 1 per cent. paid Aug., 1925 and Aug. 1926.

Officers and Directors—

W. W. Jones, pres.; Dr. N. C. Jones, J. T. Richardson, W. T. Sampson, vice-pres. and gen. mgr.; Dr. C. H. Bird, D. F. Jones, K. Molson, F. P. Jones, H. M. Jaquays, F. Petch, sec.-treas.

Profit and Loss—

Year end. June 30:

	1925	1926
Oper. profits	$219,956	$227,619
Depreciation	61,968	61,968
Net profits	$157,987	$165,651
Bond interest	26,550	25,260
Bond S. F.	21,450	22,740
Pref. dividends ...	52,500	52,500
Com. dividends ...	30,000	30,000
	130,500	130,500
Balance	$ 27,487	$ 35,151
Prev. Surplus	415,516	435,502
Total surplus	$443.003	$470,653

Nine Years' Earnings—

Year	Earnings	Dividends	Surplus
1918	$208,107	$ 61,875	$281,729
1919	198,770	73,125	359,374
1920	315,900	67,500	528,409
1921	x193,446	112,500	564,087
1922	x 81,282	90,000	413,101
1923	x129,422	52,500	442,022
1924	x118,918	90,000	415,516
1925	x157,987	82,500	443,003
1926	x165,651	82,500	470,653

x After depreciation.

Market Record—

	1924 H	1924 L	1925 H	1925 L	1926 H	1926 L
Com.	45½	39	75¼	41	78½	60
Pref.	93	86	102	91½	103	98
Bds.	99	97½	..	....	101¾	100¾

Brandram-Henderson, Ltd.

Paint and Varnish Company Has History of More Than Half Century; 1925 Earnings Slightly Over 1924

Brandram-Henderson, Limited, one of the leaders in the paint and varnish industry of Canada, have made great progress during the past year in the development of nitro-cellulose lacquer, and the demand for their product, which is marketed under the trade name of Permalak has increased to a gratifying extent.

Brandram-Henderson was incorporated in 1906 and took over the business of Henderson and Potts, which had been in successful operation since 1875; it acquired also the Canadian business of Brandram Brothers, of London, England, manufacturers of white lead. Since its incorporation, the company has broadened its scope considerably by acquiring other companies, such as that of Pinchin, Johnson & Co., paint manufacturers of Toronto, in 1915. Later the business and plant of the Alberta Linseed Oil Mills, of Medicine Hat was purchased, and also the Pacific White Lead Co. The two latter are now operated as subsidiary companies.

At practically every large centre throughout the Dominion there are situated Brandram-Henderson plants or warehouses. At Montreal, there is a lead corroding plant, having an annual capacity of upwards of 5,000 tons of basic white lead carbonate. There is another plant also at Montreal equipped for the production of all classes of paint products, and a chemical dry color works, with a large production of pigments used in paint, printing and allied trades. The company's nitro-cellulose lacquer plant is also situated at Montreal. The plant at Halifax, N.S., has a wide variety of production, including varnishes and japans, paint products of all classes and iron and tin can containers. The Toronto plant produces paint products of all types.

The subsidiary company at Medicine Hat, has a capacity of over 250,000 bushels of flax, which produces 500,000 gallons of linseed oil; the plant has the necessary refining adjuncts. The Vancouver subsidiary has a capacity of about 750 tons of white lead, as well as manufacturing equipment for a considerable quantity of paint products. At Saint John, N.B., Winnipeg, Calgary and Edmonton, are situated branch distributing warehouses.

In addition to its large domestic business the company have developed a very satisfactory export trade with the West Indies, South America and South Africa.

Capitalization—

	Authorized	Outstanding
Common	$1,250,000	$1,179,900
Pref. 7% cum.	500,000	500,000

Funded Debt—

First mortgage 6% gold bonds, due 1936, outstanding $299,600. Consolidated bonds 6%, due 1939, $59,000.

Dividend Record—

Preferred 7% annum, payable Jan., April, July and Oct. 1. Initial dividend on common of 3%, paid Feb. 15, 1917, March 1, June, Sept. 3, and Nov. 30, 1918; March 1, June, Sept. 1, and Dec. 1, 1919, 1% each; March 1, 1920, 1¼%, which quarterly rate was maintained up to and including Dec. 1, 1921. In March, 1922, the annual dividend rate was reduced to 3%, payable 1½% May 1, and 1½% Dec. 1, 1922; 1923 and 1924, 4% each. Passed for quarter ended Jan. 31, 1925, and since.

Officers and Directors—

George Henderson, pres.; C. Archibald, vice-pres.; Hector McInnes, K.C.; H. B. Stairs, K.C.; I. C. Stewart, Thos. Cantley, H. H. Champ, G. H. Montgomery, K.C., W. A. Black, G. Macgregor Mitchell, V. M. Drury, and J. M. C. Muir, secretary and treasurer.

Profit and Loss—

	1924	1925
Net profits	$101,826	$103,296
Bond interest	71,299	70,231
Bond discount	12,493	12,493
Depreciation	7,500	8,000
Pensions	.....	3,500
Res. for accts.	30,000	52,500
Res. for invent. ...	.....	70,000
Tax prev. year	3,179	.....
Balance	*$ 28,645	*$113,428
Pref. dividends ...	35,000	$ 35,000
Common dividends	47,196	.....
Surplus	*$110,841	*$148,428
Prev. balance	836,929	726,088
Transfer from bond redempt. res. ...	.....	155,000
Balance forward ..	$726,088	$732,660

Earning Rate—

% on common ...	nil	nil
% on preferred ...	.27	1.81

* Deficit.

Nine Years' Earnings—

Year	Earnings	Dividends	Surplus
1917	$221,429	$64,100	$412,184
*1918	238,133	73,000	501,519
1919	299,736	73,800	639,027
1920	120,835	83,500	987,506
1921	147,742	94,005	828,360
1922	163,703	70,397	854,585
1923	144,121	82,196	836,929
1924	101,826	82,196	726,058
1925	103,296	35,000	732,660

* For 13 months.

Tireless Steel-workers

STEEL-MAKING, with its heat and turmoil, demands more than the strength and endurance of men's muscles and nerves can furnish. Electricity is used to master the hardest and hottest tasks.

The giant C.G.E. Motorized Power units of the steel mills never tire. They do the work of many men in the roaring heat of the rolling mills. In the yard, with C.G.E. Motorized Power, two men unload as much pig iron as 128 men could move by hand. At the furnace-charger one operator does the work of 40 men.

So here, as in other basic industries, C.G.E. Motorized Power cuts the cost of production, raises the productive value of workmen and helps to maintain high industrial standards.

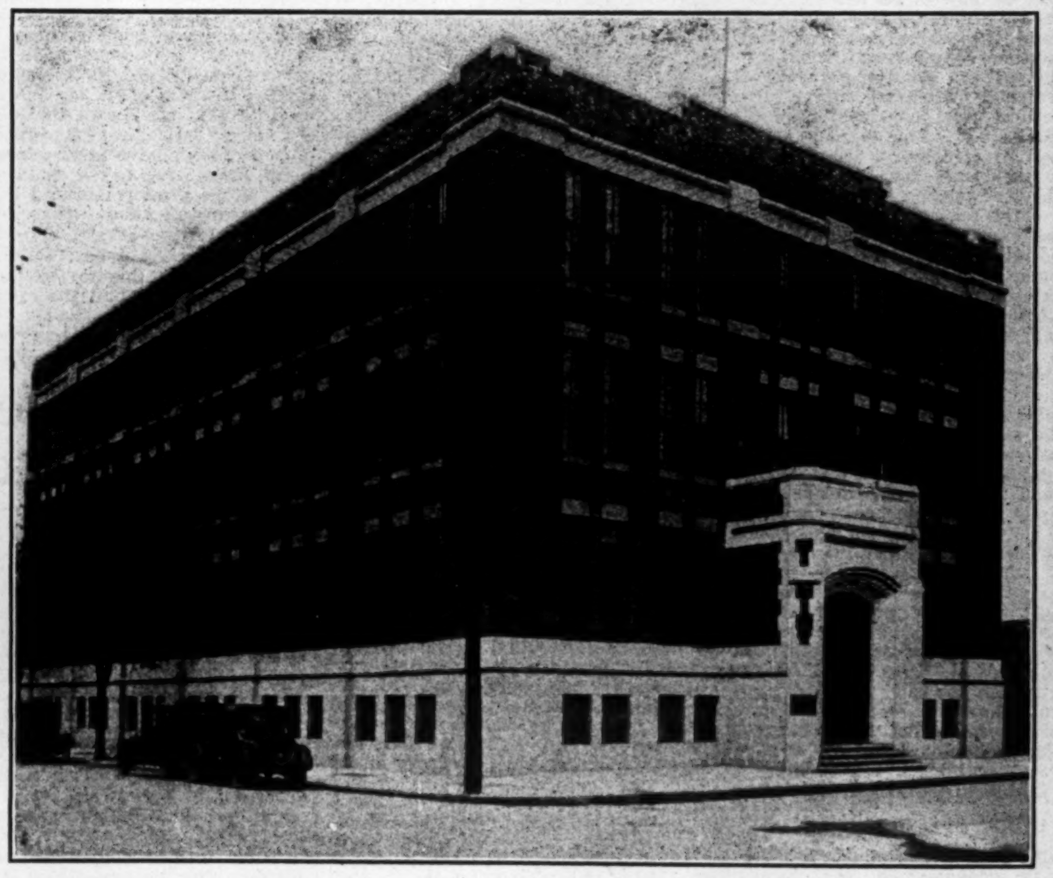
C.G.E. Motorized Power is more than a motor or its control—it is a practical and economical application of electric power. "Built in" or otherwise connected to all types of industrial machines, C.G.E. Motorized Power provides the lasting assurance that you have purchased the best.

27-Ea-1

MOTORIZED POWER
-fitted to every need

CANADIAN GENERAL ELECTRIC Co. Limited
HEAD OFFICE, TORONTO

Serving the Steel Industry



New Head Office Building at Montreal for The Steel Company of Canada, Limited

THE erection of this building, situated on Dominion Street, Montreal, was entrusted to the Foundation Company of Canada Limited. It affords a typical example of the work of this organization on structures of moderate size.

THE FOUNDATION COMPANY
OF CANADA
LIMITED
MONTREAL

Besco and Subsidiaries

Situation Seems Somewhat Improved, But Steel Departments of Corporation Are in a Hazardous Position and Their Future Depends on Government Action

Despite the fact that the Dominion Iron and Steel Company is in the hands of the receiver and the interest charges of the funded debt of the Nova Scotia Steel and Coal Company are in arrears, the past year has witnessed perhaps a little betterment in the position of the British Empire Steel Corporation, the largest industrial organization in Canada.

The production of the corporation consists of iron ore, steel and coal. During the year there has been some improvement in the demand for steel and for coal. The corporation has many subsidiary enterprises, such as lumbering activities, railway activities, and steamship lines, all of which are used to further the output and sales of its products.

The British Empire Steel Corporation is a holding Company only and controls only three companies: the Dominion Steel Corporation, the Nova Scotia Steel and Coal Company and the Halifax Shipyards. Besco owns all the common stock in these properties.

Many Other Subsidiaries

The first two subsidiaries in turn control what might be called tertiary subsidiaries. The Dominion Steel Corporation controls the Dominion Iron and Steel Company, the Dominion Coal Company, the Cumberland Railway and Coal Company, the Dominion Shipping Company, James Pender and Company, and the Sydney Lumber Company. All of the common stock of these organizations is owned by the Dominion Steel Corporation.

The Nova Scotia Steel and Coal Company owns all the common stock in the Eastern Car Company, the Acadia Coal Company, the Wasis Steamship Company and the Nova Scotia Land Company.

The fundamental basis of the corporation's activities lies in its coal mines and its iron ore mines; the latter are located in Newfoundland. Part of the iron ore which is mined in Newfoundland is sold abroad, and part is utilized in the corporation's own blast furnaces.

In the meantime, the Dominion Iron and Steel Company is in the hands of the receivers. It has been finding business better of late, but, whether or not it will pass back into the hands of Besco depends probably on whether or not the federal government decides to give increased consideration to this industry. The claim of Nova Scotia is that the interests of the Cape Breton steel industry have been sacrificed to the interests of the users of raw steel in other parts of Canada, and that the steel industry deserves either bounties or increased protection.

Steel Plants In Trouble

The steel properties of the Nova Scotia Steel and Coal Company are meeting with the same difficulties as the Dominion Iron and Steel. The former's fixed charges are in arrears from the beginning of the year, but to meet the interest payments on its first mortgage bonds the company has three months of grace.

It can be seen from the foregoing that the financial structure of Besco is very complex. At the present time, it is understood that the management is working out a plan of reorganization which may simplify its finances. This would be accomplished by the formation of a new company whose shares would be exchanged for the present shares of Beseo and all its component companies.

While this plan is being formulated, it will probably be some time before it is put into effect, for it will have to obtain the sanction of the many different classes of security holders, not only in the corporation itself but in its many subsidiaries. Of the thirteen subsidiaries of Besco, there are seven of these companies in which there is an investment interest.

Brief reviews of the chief subsidiaries of the British Empire Steel follow:

Dominion Steel Corporation

This company, in which all the common shares are held by Besco, is, like its parent organization, simply a holding company. Its three chief subsidiaries are the Dominion Iron and Steel, the Dominion Coal and the Cumberland Railway and Coal Company; the latter exists simply as a carrier for the corporation's output but, nevertheless, it has an issue of bonds in the hands of the public. The Dominion Steel Corporation owns all the common shares of these companies and, in addition, owns $3,500,000 of income bonds of the Dominion Iron and Steel Company, and the same amount of income bonds of the Dominion Coal Company. These bonds rank senior to the preferred shares of both these subsidiaries. In addition, the Dominion Steel Corporation has guaranteed $4,639,000 of the consolidated mortgage bonds of the Dominion Iron and Steel Company, which is now in the hands of the receiver.

While the Dominion Coal Company will probably always be able to make some profit on its operations, yet the Dominion Steel Corporation, while it has an asset in the coal subsidiary, has a liability through its guarantee of the Dominion Iron and Steel Company's bonds. Nevertheless, the preference shareholders of the Dominion Steel Corporation seem to be in perhaps a better position than the preferred shareholders of the Dominion Coal, for the Dominion Steel Corporation owns the income bonds.

Dom. Iron & Steel Company

This is the company which is operated at present by a receiver. It owns about 75 per cent. of Besco's iron ore deposits in Newfoundland. It operates three iron ore mines there and owns limestone properties, coke ovens, blast furnaces, mills and steel works in and about Sydney, N.S.

While the property has been well maintained, yet the scarcity of orders over the past few years has not allowed it to progress with the times, and it is understood that large capital expenditures would materially improve the property and reduce operating costs. But it is impossible to raise further capital for an industry which gives indications of being moribund.

As security for the two mortgage issues of this company, there appears to be an abundance of physical assets, yet physical assets are of little use unless they have a corresponding earning power which has been lacking over the past few years.

Eventually, no doubt, the bondholders of the Dominion Iron and Steel will arrive at some compromise with the security holders of the other companies in the Besco group. As coal plays such a predominant part in the manufacture of steel, it seems obvious that this company would be unwise to forego its association with the Dominion Coal Company, unless forced to do so.

The future for this company depends upon the action of the Federal government. If no assistance is given through bounties or more tariffs, the outlook appears to be hopeless.

Dominion Coal Company

The Dominion Coal Company operates sixteen mines in Cape Breton and also the Sydney and Louisburg Railway. It owns distributing facilities situated at Sydney and Louisburg and Halifax, N.S., and Saint John, N.B., Quebec, Three Rivers and Montreal, P.Q.; in addition, it owns tugs and barges and other valuable assets.

The company's earnings depend solely on its coal production and, provided there are no labour troubles, the Dominion Coal should be able to more than earn its bond interest each year.

The preferred shareholders of the Dominion Coal Company, though, are in a very much poorer position from the bondholders for, ranking ahead of their shares are the $3,500,000 of income bonds owned by the Dominion Steel Corporation. However, the Dominion Coal is one of the fundamental properties of the Besco industries and, while the pithead cost of its coal is high, its output during the past year has shown a satisfactory improvement.

N.S. Steel & Coal Company

The common stock of the Nova Scotia Steel and Coal Company is entirely owned by Besco. This company in turn controls four subsidiaries. The only subsidiary in which there is any investment interest is the Eastern Car Company, which has bonds in the hands of the public. The latter manufactures railway rolling stock.

While N.S. Steel is a holding company, it also owns and operates three or four collieries, but its output is no real factor in Besco's total coal production. The principal coal operations are carried out through the Acadia Coal Company, which owns approximately 20 square miles in Pictou County, where are located four mines with a daily output of from 2,500 to 3,000 tons. This property seems to be in a fairly satisfactory position. Nova Scotia Steel and Coal also owns about 25 per cent. of Besco's iron ore deposits in Newfoundland and operates one mine there.

Some of the steel properties owned by this company have been closed down, such as the blast furnaces at Sydney, which cannot economically compete with the more modern equipment of the Dominion Iron and Steel.

The Dominion Iron and Steel Company makes steel ingots, blooms, billets, rods, wire and wire products, whereas the Nova Scotia Steel and Coal makes angle irons and other more finished steel products. The demand for this company's output has not been good, one of the reasons being the keen competition with the central Canadian producers; the latter's markets are practically at their back door, whereas to reach the large markets of central Canada the company has heavy freight charges to meet.

BRITISH EMPIRE STEEL CORPORATION

Capital

	Authorized	Outstanding
1st. Pref. "A" 8% cum.	$60,000,000	None
1st. Pref. "B" 7% cum.	40,000,000	$ 8,032,100
2nd Pref. 7% cum.	75,000,000	57,350,000
Common	75,000,000,	24,450,000
Total bonds of subsidiaries held by public		36,988,804

The Corporation holds direct the following amounts of preferred stock in its secondary subsidiaries:

Dominion Iron & Steel Co.	$1,663,700
Dominion Coal Co.	200,600
Eastern Car Co.	642,900

The preferred and common stocks of the primary subsidiaries which Besco holds are as follows:

Dominion Steel Corp., pref.	2,294,500
Dominion Steel Corp., Com.	43,000,000
Nova Scotia Steel & Coal Co., Pref.	192,000
Nova Scotia Steel & Coal Co., Com.	15,000,000
Halifax Shipyards, Pref.	3,000,000
Halifax Shipyards, Com.	5,000,000

Dominion Steel Corp—
Debentures, $2,000. Held by public.
Preference, $7,000,000. Besco holds $2,294,500. Outstanding $4,705,500
Common, $43,000,000. All held by Besco.

Dominion Iron & Steel Co.—
1st. Mort. Bonds, 5%, due 1929, $5,159,000. Held by public.
Con. Mort. Bonds, 5%, due 1939, $11,674,253. Held by public. ($4,639,000 guaranteed by Dom. Steel Corp'n.)
Preferred, $5,000,000. Besco holds $1,663,700. Outstanding $3,336,300.
Common, $37,000,000. All held by Dominion Steel Corp.

Dominion Coal Co.—
Bonds, 5%, due 1940, $4,786,500. Held by public.
Preferred, $3,000,000. Besco holds $200,600. Outstanding $2,799,400.
Common, $15,000,000. All held by Dominion Steel Corp.

Cumberland Railway & Coal Co.—
Bonds, 5%, due 1940, $2,687,000. Held by public; guaranteed by Dominion Steel Corp.
Common, $2,000,000. All held by Dominion Steel Corp.

Dominion Shipping Co.—
Stock, $1,000,000. All held by Dominion Steel Corp.

James Pender & Co.—
Stock, $100,000. All held by Dominion Steel Corp.

Sydney Lumber Co.—
Stock, $150,000. All held by Dominion Steel Corp.

Nova Scotia Steel & Coal Co.—
Bonds, 5%, due 1959, $5,227,906. Held by public.
Debentures, 6%, $4,978,500. Held by public.
Preferred, $1,000,000. $192,000 held by Besco. Outstanding $808,000.
Common, $15,000,000. All held by Besco.

Nova Scotia Land Co.—
Stock, $11,000. All held by Nova Scotia Steel & Coal Co.

Wasis Steamship Co.—
Stock $16,000. All held by Nova Scotia Steel & Coal Co.

Eastern Car Co.—
Bonds, 6%, due 1952, $841,900. Held by publ c.
Preferred $750,000. Besco holds $642,900. Outstanding $107,100.
Common, $800,000. All held by Nova Scotia Steel & Coal Co.

Acadia Coal Co.—
1st Preference, $1,900,000. All held by Nova Scotia Steel & Coal Co.
2nd Preference, $1,000,000. $994,500 held by Nova Scotia Steel & Coal Co.
Common, $1,846,100. $1,738,300 held by Nova Scotia Steel & Coal Co.

Halifax Shipyards—
Common, $5,000,000.
Preferred, $3,000,000.
All held by Besco.

Dividend Record—
First preference, series "B" 7 per cent. per annum, initial dividend of 1¾ per cent. paid Nov., 1921, and regularly to Feb., 1924, none thereafter. Second preference and common no dividend yet paid.

Officers and Directors—
R. M. Wolvin, president; Sir. Newton J. Moore, vice-president, London; J. E. McLurg, vice-pres., Sydney; Geo. F. Downs; Senator Beaubien, Sir Trevor Dawson, Lord Invernairn, Hector McInnes, K.C.; F. W. Ross, W. D. Ross, J. P. B. Casgrain, R. F. Hoyt, C. S. Cameron, sec. and treas.; W. A. Doig, asst. sec.; L. C. Webster.

Profit and Loss—

	1924	1925
Gross earnings	$ 923,775	*$1,133,433
Sinking fund	$1,112,515	$1,341,765
Bond interest	1,948,496	1,860,697
Bond discount	75,350	75,526
Net profit	*$2,212,586	*$4,411,431
Pref. dividends	145,033	....
	*$2,357,619	*$4,411,431
Prev, surplus	1,031,031	* 1,326,588
Surplus	*$1,326,588	*$5,738,019

* Deficit.

Five Years' Earnings—

Year	Earnings	Dividends	Surplus
*1921	$4,416,451	$ 977,664	$ 755,927
1922	2,917,275	1,344,299	1,024,198
1923	4,444,346	1,346,524	1,031,031
1924	923,775	145,033	*1,326,588
†1925	1,133,443	......	*5,738,019

* Deficit.
† Apr. 16 to Dec. 31.

Market Record—

B. E. Steel

	1924 H	1924 L	1925 H	1925 L	1926 H	1926 L
Com.	6	1¼	4⅜	1½	3½	¼
1st pfd.	57¾	22	36½	22	30	9
2nd pfd.	17	6⅝	14⅝	5	10¾	1

Dom. Iron & Steel

	1924 H	1924 L	1925 H	1925 L	1926 H	1926 L
Pref.	57	24	30	20	24¾	5
Bonds	92½	85	92½	88½	92	69

Dom. Coal

	1924 H	1924 L	1925 H	1925 L	1926 H	1926 L
Pref.	81	40	50	39¾	72½	40
Bonds	98	86	90	84	85⅞	84½

Dom. Steel

	1924 H	1924 L	1925 H	1925 L	1926 H	1926 L
Pref.	78½	35	38	20½	26	10⅝

Pedlar People

Manufacturers of Sheet Metal Products Have Had Long Success

The Pedlar People, Ltd., own a plant, which cost $550,000, at Oshawa in which there is $1,000,000 worth of machinery for the manufacture of all kinds of sheet metal products, including roofing materials, metal ceilings, store front, eavestroughing, automobile fenders, gasoline tanks, mufflers, etc.

The only public investment in this company, which is capitalized at $400,000 is an issue of 8 per cent. first mortgage bonds, due serially and annually to the amount of $25,000 from January 1, 1926, to 1940, inclusive and $50,000 due on January 1, 1941. The amount outstanding is $375,000.

This business was established in 1861 and was incorporated under the present name in 1911 to take over the business of the Pedlar Metal Roofing Co. The company maintains branches in Ottawa, Toronto, London, Winnipeg and Vancouver.

Capitalization—

	Authorized	Outstanding
Capital stock	$400,000	$400,000

(Stock is closely held.)

Funded Debt—
First mortgage 8 per cent. bonds, due $25,000 annually, Jan. 1, 1926, to 1940 inclusive, and $50,000 Jan. 1, 1941; outstanding $400,000.

Officers and Directors—
W. R. Geikie, pres.; S. E. Pedlar, vice-pres.; F. L. Mason, M. H. Ludwig, E. B. Northwood.

Pressed Metals

Reorganization Expected to Result in Big Administrative Economies

Pressed Metals of America is the name of reorganized Pressed Metals Company of Canada, which owned the American Bushing Corp., operating a plant at Marysville, Mich. Shares of the new company are listed on the Toronto stock exchange.

Pressed Metals Co. of Canada, had a plant at Toronto but towards the end of 1924 manufacturing was discontinued and all equipment was transferred to the American Bushing Corp. The company owned all the capital stock of the American company, which was incorporated under the laws of Michigan.

Pressed Metals of Canada was a company which had a spectacular rise during the war. Following the war, however, its activities were diverted to the automobile field and in 1924 it was decided that manufacture could be carried on most economically from the works at Marysville, Mich. In consequence, the Toronto plant ceased to exist.

J. W. Leighton, president and inventor of the type of product on which the company is concentrating, sent a letter to shareholders last July pointing out advantages of the plan to reincorporate the two concerns under one name. The objection to the dual existence was that the stock was subject to estate, inheritance and succession duties in both Canada and the United States, increase in administration expenses by requiring the keeping of two distinct organizations and the payment of privilege fees in separate jurisdiction, the determination of the market value of the stock requiring the audit and investigation of the affairs of two corporate bodies. because an income tax was required to be paid in both countries, and, because the United States government assesses royalties paid foreign corporations.

After several postponements, the plan of reorganization was approved by the shareholders. Pressed Metals of Canada exchanged one share of the common, par value ($100) of the American company for one share of the preferred stock, par value ($100), of the Canadian company. In addition, shareholders got one half share in lieu of the accumulated dividends on the Canadian company's preferred stock and in consideration of the fact that the preferred in the American company was a 7 per cent. stock, as compared to 8 per cent. in the Canadian company.

The product of the company is brass and bronze bushings. The field is broad and with the economies incident to the simplification of the financial structure, it is expected that the report for 1926 will show improvement over 1925, with still further betterment evident in 1927, when the new plan will have been in effect a full year.

Capitalization—

	Authorized	Outstanding
Common	$2,250,000	$2,213,100
Pref. 8% cuc.	250,000	213,000

Dividend Record—
Preferred passed December, 1920, 2 per cent. paid Feb. 20, 1926. Common 1 per cent. was paid Nov., 1918, none since.

Officers and Directors—
J. W. Leighton, pres.; C. C. Peck, vice-pres.; W. Dalziel, H. L. Nussbaum, sec.-treas.; S. Goldsmith, M. Moskin, B. Lowenstein, New York; A. I. McKinley, A. Pardoe.

Profit and Loss—

	1924	1925
Profits	x$ 50,672	$64,795
Other profits	18,343	......
Adjustments	244	......
	x$ 32,085	$64,795
Inventory red.	22,773	2,371
Depreciation	50,975	45,203
Written off	18,659	......
Taxes	......	......
Balance	x$124,492	$17,221
Previous balance	182,617	58,125
	$ 58,125	$75,346

x Loss.

Four Years' Earnings—

Year	Earnings	Dividends	Surplus
*1922	$ 11,821	......	$114,851
†1923	103,244	......	182,617
†1924	50,673	......	58,125
†1925	64,795	......	75,346

* Year ended Feb. 28.
† Year ended Dec. 31, with earnings of American bushings included.

SHERWIN-WILLIAMS PRODUCTS

COVER THE EARTH

Directors of
THE SHERWIN-WILLIAMS CO.
of Canada, Limited

W. H. COTTINGHAM
Chairman of the Board
W. S. FALLIS
President and Managing Director
D. A. WHITTAKER
Vice-President and Secretary-Treasurer
W. J. WHITE, K.C.
R. C. MISSON
GEO. A. MARTIN
W. S. COTTINGHAM
W. C. COTTINGHAM

WE SOLICIT
YOUR INQUIRIES
FOR
STEEL CASTINGS
OF EVERY DESCRIPTION

DOMINION FOUNDRIES & STEEL LTD.
HAMILTON

Foundry Pig Iron

STEEL

Ingots and Rolled Steel

Steel Rails
and Accessories

Nail and Wire
Products

Dominion Iron & Steel Co. Limited
National Trust Company, Limited
Receivers and Managers
Sydney, N.S.

ALL CANADIAN — FROM ORE TO FINISHED PRODUCT

Steel of Canada

With Big Reserves, Good Management, Other Favorable Conditions, Investment in Stock Promises Steady Returns

With a wide diversity of products and with manufacturing plants located within short distances of principal consumption centres, Steel Company of Canada under excellent management has made steady progress since its organization in 1911. Its surplus and reserves are substantial, it enjoyed a good income in the comparatively quiet year 1925, and its report for 1926, which will be available next month, is likely to show material gains over that of 1925.

In 1925 the manufacturing profits totalled $2,825,606 and income from securities and investments was $335,057, bring the total to $3,160,664. Appropriations of $682,171 were made for depreciation, bond interest was provided, 7 per cent. was paid on common as well as preferred stock, $100,000 was transferred to employees' pension fund and the remainder, $458,567, was added to the surplus, bringing that item up to $9,293,583.

Reserves Are Large

Steel of Canada has more than $4,000,000 invested in government bonds and other items under the head current assets aggregate $10,982,792, or a total of $15,032,241, compared to current liabilities of $2,337,251.

There has been some speculation in the shares of Steel of Canada in recent weeks on the assumption that, with substantial figures, the directors soon might announce an increase in the dividend rate. The preferred stock participates in distribution of profits equally with the common after the common has had its first seven per cent. However, the policy of the company with regard to distribution of earnings has been conservative. It has been deemed the wiser policy to hold reserves in the treasury for contingencies and for providing future needs of the company which can be foreseen.

Products of Steel of Canada include pig iron, iron and steel, coke, sulphate of ammonia, forgings, bolts, nuts and washers, wire, etc., railway fastenings, wrought pipe, nails, spikes, tacks, rivets, etc., pole line hardware, screws and lead manufactures.

Manufacturing is carried on in two main centres, Montreal and Hamilton. The Montreal Rolling Mills Co. and the Hamilton Steel & Iron Co., are the two largest units. The Canada Screw Co., the Dominion Wire Manufacturing Co., and the Canada Bolt & Nut Co. are other subsidiaries. A benzol plant was completed in 1920.

Capitalization—

	Authorized	Outstanding
Common	$15,000,000	$11,500,000
Pref. 7% cum.	10,000,000	6,496,300

Funded Debt—

Bonds 6% ...	10,000,000	6,177,406

First mortgage gold, due July, 1940.

Dividend Record—

Preferred dividends paid quarterly, Feb., May, Aug., and Nov. 1. Common 7 per cent. Paid same as preferred. Bonus of 1 per cent. paid Feb., 1919; 1¾ and ¾ per cent. paid Feb., 1920, making 7 per cent. for year 1919.

Officers and Directors—

Ross H. McMaster, pres., Chas. S. Wilcox, chairman of board, Hamilton; H. M. Jaquays, vice-pres.; R. G. Wells, vice-pres.; H. J. Diplock, vice-pres.; A. J. Brown, K.C.; G. H. Duggan, Hon. Smeaton White, Montreal, C. A. Birge, Hamilton; F. G. Osler, Sir Thos. White, Toronto, and H. G. Dalton, Cleveland, H. H. Champ, vice-pres. and treas.; H. S. Alexander, asst. sec. and treas.; George Spence, gen. sales mgr.

Profit and Loss—

	1924	1925
Profits	2,510,827	$2,825,607
Other income .	356,483	335,057
	2,867,310	3,160,664
Sinking fund ..	271,212	281,643
Depreciation ..	677,401	682,171
Interest	394,187	378,541
Pref. dividend .	454,741	454,741
Com. div.	805,000	805,000
Pension	......	100,000
Surplus	264,768	458,568
Prev. surplus .	8,570,247	8,835,016
Bal. P. & L. ..	8,835,015	9,293,584

Earning Rate—

Per ct. on com	11.66	14.30
Per ct. on pref.	27.64	32.32

Nine Years' Earnings—

Year	Earnings	Dividends	Surplus
1917 ..	$6,040,318	$1,144,741	$6,197,854
1918 ..	5,367,120	1,144,741	7,322,872
1919 ..	4,000,940	1,259,741	8,195,302
1920 ..	3,924,041	1,259,741	8,740,965
1921 ..	1,778,661	1,259,741	8,298,516
1922 ..	1,962,169	1,259,741	7,942,373
1923 ..	2,996,580	1,259,741	8,570,248
1924 ..	2,510,827	1,259,741	8,835,015
1925 ..	2,825,607	1,259,741	9,293,584

Market Record—

	1924		1925		1926	
	H.	L.	H.	L.	H.	L.
Com.	84½	69½	99¼	80	120	95⅛
Pref.	107⅜	99½	117	105	126	114
Bonds	105	100½	106	103½	107½	106

Canadian Locomotive

Probable Higher Demand for Railway Equipment in Future Should Help This Company

The outlook for Canadian Locomotive Co. is fairly bright with the probability that the demand for railway equipment will increase steadily for a number of years if the country is prosperous. The railways have been conservative in placing orders for locomotives in recent years and it is safe to assume that some fairly large additions to motive power must be made soon if business of the carriers is to be cared for efficiently.

In 1926 the plant at Kingston was fairly busy with two orders which were placed in the latter part of 1925. The last of a lot of 50 engines for the Canadian Pacific Railway is just about to be delivered. The works at Kingston is equipped to build electric locomotives, demand for which is expected to increase as steam is gradually displaced for terminal work and for certain other purposes.

Canadian Locomotive Co. was formed in 1911 to take over the business of the Canadian Locomotive Co., operatin under an Ontario charter. The plant occupies three blocks at Kingston, with an area of more than 300,000 square feet. The works include machine shop, boiler shop, blacksmith shop, erecting shop, tender or tank shop, electric shop, carpenter shop, pattern shop, foundries, etc. The present capacity of the plant is about 180 up-to-date locomotives annually.

Canadian Locomotive Co. recently began the manufacture of mining equipment and some success in this line has been achieved. The company has the Canadian rights to this type of equipment manufactured by the Colorado Iron & Steel Co.

Capitalization—

	Authorized	Outstanding
Com.	$2,000,000	$2,000,000
Pref. 7% cum. .	1,500,000	1,500,000

Funded Debt—

Bonds, 6% ...	2,000,000	1,309,800

First mortgage, sinking fund. Due 1951, trustees hold $190,200.

Dividend Record—

Preference paid quarterly. Common first paid at rate of 6 per cent. per annum Oct., 1917, increased to 7 per cent. 1919, and 8 per cent. Jan., 1920; reduced to 4 per cent. July 1, 1922. Passed for quarter beginning Jan., 1925, and since.

Officers and Directors—

W. Harty, Jr., pres.; Wm. Casey, vice-pres. and gen. mgr.; F. G. Wallace, R. W. Leonard, C. Birmingham, H. F. Osler, W. L. Matthews, W. F. Angus, G. W. Daly, sec.; J. Fournier, treas.

Profit and Loss—

Year end. June 30:

	1924	1925
Net profit	$ 538,441	$ 166,549
Interest	62,231	65,020
On investments .	......	3,309
Allow. goodwill	......	33,199
Total income ...	$ 599,672	$ 268,077
Bond interest ...	90,000	90,000
Depreciation	......	100,000
Sinking fund ...	15,000	15,000
Pref. dividends .	105,000	105,000
Com. dividends ..	80,000	40,000
Adj. goodwill ...	36,901	......
Balance	$ 272,771	$ x81,923
Previous balance	807,377	1,080,148
	$1,080,148	$ 998,225

Earning Rate—

Per cent. on com. ..	18.38	....
Per cent. on pref. ..	31.51	5.20

x Deficit.

Eight Years' Earnings—

Year	Earnings	Dividends	Surplus
1918 ...	$677,936	$225,000	$ 929,415
1919 ...	892,976	225,000	1,366,794
1920 ...	367,969	250,000	1,210,984
1921 ...	827,091	265,000	1,536,275
1922 ...	*76,299	265,000	1,089,975
1923 ...	7,401	185,000	807,377
1924 ...	599,672	185,000	1,080,148
1925 ...	268,077	145,000	998,225

* Loss.

Market Record—

	1924		1925		1926	
	H	L	H	L	H	L
Com. ...	72⅛	60	72	35	42	35
Pref. ...	92½	73½	90	73	89½	73
Bonds ..	96¾	96	99	98	99½	99½

Dominion Bridge

Has Work on Hand Sufficient to Keep Plants Busy for Two Years — Montreal Bridge Profits Will Not Accrue Till 1930

The recent rise in the shares of the Dominion Bridge Company has been due to two factors; the general buoyancy in the stock market and the fact that the company is understood to have on hand contracts which will keep the plants busy during the next two years.

The earnings of "Bridge" depend entirely on the number of new steel bridges and large buildings which are erected. During the current year, there may be some falling off in residential building activity, but it is anticipated that industrial building will reach the high level experienced in 1926. This is a favorable factor in the outlook for the company which sells most of its output in these channels.

The paper mill and power projects in this country show every appearance of maintaining the growth experienced in years past. These fields alone should provide a good revenue for Dominion Bridge during the current year.

Many Subsidiary Companies

The company operates several subsidiaries, most of which are owned outright or practically outright. They include the National Bridge Company, the Canadian Tillsoil Farm Motors, the Robb Engineering Works, which manufactures boilers at its plant in Nova Scotia and the Dominion Engineering Works. The parent company owns about 57 per cent. of the last named subsidiary's capitalization. It is reviewed elsewhere in this issue.

The shares and the earning power of Dominion Bridge are subject to wide fluctuations and over the past few years these fluctuations have simply reflected the contraction or expansion in the demand for structural steel in the Dominion.

The high for the stock was in 1915 when it reached 237 and the low was in 1922 when it touched 51. If the Dominion stands at the beginning of a period of expansion, it can be seen that Dominion Bridge shares, even at their present levels, still have excellent possibilities.

Whole Industry Is Overbuilt

The bridge building and structural steel industry in Canada is in exactly the same position as many other industries; it is over-built. In 1922 and 1923 the total output of fabricated steel did not come up to 50 per cent. of the total capacity of the various plants.

To-day, structural steel orders are more plentiful and as a consequence, the competition which "Bridge" experiences is not so keen. When the demand for structural steel declined, the various companies were forced to keep their prices at a minimum in order to keep their plants working, all of which tends to enlarge the decrease in earnings in the leaner years.

As far as the future is concerned, there is one feature which adds a lure to the shares of "Bridge"; this is the big contract for the Montreal South Shore bridge which the company has obtained and which will amount in all to about $7,200,000. It is understood that "Bridge" will not show profits on this contract until the year 1930, when it is finally completed. In the meantime the project will provide steady work for the plant which in turn will materially reduce overhead costs.

Spectacular Orders Important

While spectacular orders undoubtedly have a definite effect on the earnings, yet it is not to be forgotten that the level of the earnings depends more on the general level of the demand for structural steel than on one or two large orders.

There are some who feel that the turn of the economic wheel has come and that the next three or four years will witness a steady demand for fabricated steel. If this be so, it would prove very satisfactory to "Bridge" shareholders.

The company operates under an excellent management which has wide business connections. While it has passed through several lean years, yet the company has been maintained in a strong financial position. The entire capitalization consists of $6,500,000 in common stock. This is one of the satisfactory points about the stock for there are no other securities outstanding ranking senior to the the shares. The company's working capital is in excess of $50 per share of common stock outstanding and its holdings of the shares of the Dominion Engineering Works at present market levels amount to almost $30 per share of stock.

Capitalization—

	Authorized	Outstanding
Common	$10,000,000	$6,500,000

Funded Debt—

None.

Dividend Record—

An initial dividend of 4 per cent. paid Dec., 1912; 2 per cent. April, 1913; 2 per cent. May, 1913, and same rate paid quarterly to Aug., 1914; Nov., 1914, to Aug., 1915; 1¼ per cent. quarterly, Nov., 1915, and quarterly thereafter to and including Nov., 1916, 2 per cent. regular and 3 per cent. extra each. Feb., 1917, 2 per cent. and 2 per cent. extra, May, Aug. and Nov., 1917, 2½ per cent. each; Feb., 1918, 2 per cent., which quarterly rate was paid to Nov., 1921; 4 per cent. per annum 1922 and since. A bonus of 2 per cent. was paid Jan. 3, 1927.

Officers and Directors—

G. H. Duggan, pres. and mgr. dir.; W. F. Angus, vice-pres.; A. J. Brown, K.C.; Sir. H. S. Holt, N. J. Dawes, J. M. McIntyre, E. W. Molson, C. E. Neill, J. K. L. Ross, H. H. Vaughan, F. L. Wanklyn, vice-pres.; Howard Murray, J. C. Smith, N. W. Warren, gen. mgr.; F. W. Evens, sec. and asst. treas.

Profit and Loss—

	1925	1926
Profit	$ 82,076	$ 572,750
Depreciation ...	135,212	133,679
Net earnings ...	*$ 53,136	$ 439,071
Dividends	260,000	260,000
Balance	*$ 313,136	$ 179,071
Prev. balance ..	3,233,924	2,920,788
	$2,920,788	$3,099,859

Earning Rate—

Per cent. on stock ..	Nil	6.75

Ten Years' Earnings—

Year	Earnings	Dividends	Surplus
1917 ...	$1,186,436	$747,500	$1,679,590
1918 ...	1,865,717	520,000	3,025,307
1919 ...	1,343,305	420,000	3,848,613
1920 ...	964,530	520,000	4,293,144
1921 ...	378,693	520,000	3,671,888
1922 ...	54,661	260,000	3,466,500
1923 ...	290,684	260,000	3,230,103
1924 ...	263,820	260,000	3,233,923
1925 ...	*53,136	260,000	2,920,788
1926 ...	439,071	260,000	3,099,859

* Deficit.

Market Record—

	1924		1925		1926	
	H	L	H	L	H	L
Com.	84½	60	104	77	122	80

National Bridge

Capitalization—

	Authorized	Outstanding
Stock	$50,000	$50,000

(Reduced from $1,000,000 in 1924). Par $100. Entire issue owned by Dominion Bridge Co.

Funded Debt—

First sinking fund 6% bonds, due 1951, $585,000. As at Oct. 31, 1924, the Dominion Bridge owned $583,500 of the outstanding bonds.

Dividend Record—

None.

Officers and Directors—

J. M. McIntyre, pres.; N. J. Dawes, vice-pres.; F. W. Evens, sec. and treas.; G. H. Duggan, A. J. Brown.

SEASONAL NATURE OF BUILDING TRADE PASSES AS ACTIVITY EXPANDS

(Continued from page 17)

according to MacLean Building Reports, Ltd., was the highest in the past twelve years. The greatest activity took place in Quebec, this being the second successive year for this province to occupy first place. Ontario was next on the list, followed by British Columbia, Manitoba, Saskatchewan, Alberta, New Brunswick, Nova Scotia and Price Edward Island, in the order named.

The improvement in economic conditions throughout the country has been conducive to extensive building, not only of the residential and business type, but also of an industrial and engineering nature. Pulp and paper, mining and hydro power developments, have been unusually active, resulting in the erection of additional plant accommodation, or the construction of new buildings. In many instances these undertakings have involved several millions of dollars. Future plans contemplate further expansion, which promise well for the construction industry.

"Achievement"

Partial list of Buildings constructed by this Company:

Parliament Buildings, Ottawa;
T. Eaton Mail Order Building, Winnipeg;
New Union Station, Toronto;
Transportation Building, Montreal;
Dominion Express Bldg., Montreal;
Board of Trade Bldg., Montreal;
Montreal Trust Bldg., Montreal;
North Toronto C.P.R. Station;
Excelsior Life Bldg., Toronto;
Harbor Sheds, Montreal;
Government Dry Dock, Esquimault;
Canadian General Electric Factory, Toronto;
Custom House, Montreal;
Examining Warehouse, Ottawa;
C.P.R. Freight Sheds; Toronto;
Alexandra Hotel, Winnipeg;
Ottawa College, Ottawa;
Provincial Legislative Bldgs., Regina;
Palliser Hotel, Calgary;
Union Station, Ottawa;
Drill Shed, Edmonton;
Welland Canal;
Sun Life Building, Montreal;
Yorkshire Insurance Building, Montreal;
Kellert Building, Montreal;
Dominion Archives Building, Ottawa;
Bank of Montreal, Halifax, N.S.
Versailles Building, Montreal;
Belgo-Canadian Building, Montreal;
Montreal Power Building Annex, Montreal;
Toronto Viaduct.

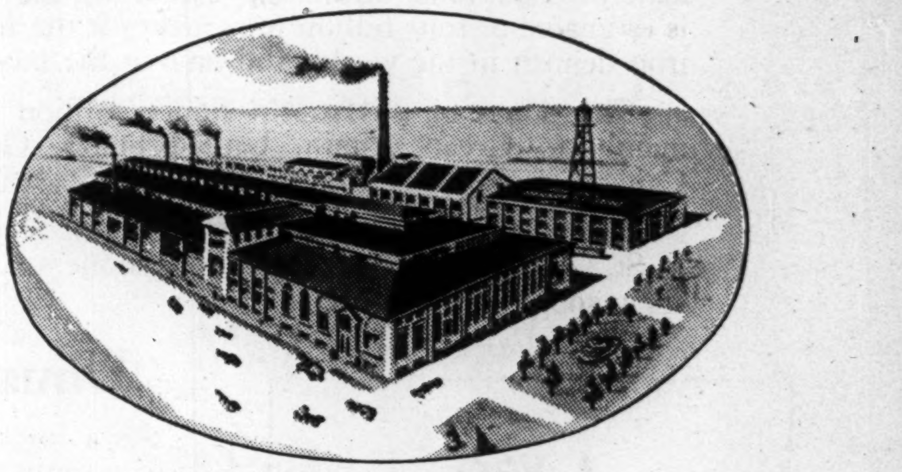
And Many Other Leading Buildings From Halifax to Victoria

P. Lyall & Sons

Construction Company, Limited MONTREAL

GENERAL CONTRACTORS

Brandram-Henderson Limited



The Montreal Plant and Executive Offices

Famed from Coast to Coast for Brandram's B.B. Genuine White Lead, B-H English Paints, Varnishes, and Permalak Brushing Lacquers

ON THE reputation of 200 years' standing of Brandram's B.B. Genuine White Lead, has been built the nation-wide success of B-H English Paints and other products of this progressive Canadian institution. A complete range of paints, varnishes and lacquers is supplied to meet every modern industrial and household demand.

BOARD OF DIRECTORS

GEORGE HENDERSON
President

CHARLES ARCHIBALD
Vice-President

HON. W. A. BLACK, M.P.
COL. THOS. CANTLEY, M.P.
GEO. H. MONTGOMERY, K.C.
G. MACGREGOR MITCHELL
HECTOR MCINNES, K.C.
H. B. STAIRS, K.C.
V. M. DRURY
H. H. CHAMP
I. C. STEWART

J. M. C. MUIR
Secretary and Treasurer

Montreal Halifax St. John Toronto Winnipeg Medicine Hat Calgary Edmonton Vancouver

Four Billion Tons

Newfoundland's Available Iron Resources Approach the Fabulous

Newfoundland's Great Mining Possibilities

NEWFOUNDLAND with its iron ore reserves of approximately 4,000,000,000 tons may well become one of the great iron and steel centres of the world. Already ore is being mined at a rate of about a million tons a year entirely for export. It is from the Bell Island mines that the great blast furnaces of Cape Breton are supplied. It has been proved a sound economic practice to ship Newfoundland ore to the source of Nova Scotia coal, for the fabrication of steel and iron, and it is surely obvious that, if this can be economically practical, the future may yet see Nova Scotia coal brought to blast furnaces located at the iron mines. It is well within the realm of possibilities, too, that the coal beds that are found in various parts of the island may, themselves, in the not too distant future provide this necessity. While the limestone now quarried at Port au Port Bay, and shipped in large quantities to Nova Scotia as a flux for the steel furnaces, would be even more readily available for manufacture within the island.

Iron mining, at the present time, represents one of the large industries of the island, and the iron mines at Bell Island, Conception Bay, have a daily output of approximately 5,000 tons, while the extent of the deposit that is estimated at four billion tons makes it the fourth largest iron deposit in the world, and among the most accessible.

The mines of this group ship a million tons a year. mainly to Great Britain, United States, Germany and Canada.

There is another extensive showing at Steel Mountain in St. George's Bay. The outcrops alone are estimated to show 500,000 tons of ore.

At Stephensville there are deposits that show 60 to 66 per cent. of metallic iron. The extent of these deposits has not yet been established.

The Wabana Iron Deposit at Bell Island, Conception Bay, is the only section where active mining operations have reached important figures. With the new equipment being introduced the present output of a million tons yearly may easily be doubled. At present, these mines have some 18 miles of surface track, and 22 miles under ground, and they employ 1,500 men. Recent geological work in the peninsula of Avalon has also suggested the likelihood of the occurrence of other extensive deposits of iron ore.

Other Minerals are Plentiful

While iron, up to the present, has dominated the mining activities of the island, there are ample resources of other minerals that offer a large promise under careful mining. Copper is very widely distributed over the island. Formerly an important commercial interest, the low price of copper following the Armistice caused a setback in the industry. The development of concentration facilities have largely offset this disadvantage, and copper can once more be profitably mined, and it is confidently expected that there will be a marked development in the industry in the near future.

Silver, lead, zinc, gold, chrome iron and molybdenite are other minerals that are to be found both in extensive quantities and widely distributed. Extensive operations in connection with the important deposits of lead, zinc, ore at Buchans Mine, Red Indian Lake, are contemplated in the near future. In the non-metallics there is limestone, slate, gypsum, coal, oil shale, cement rock, marble and building stone, all in important quantities.

A Visit Will Convince Anyone of the Outstanding Opportunities Offering in the Mining Field.

Unusual Mining Advantages

As a logical mining centre, Newfoundland is certain to receive marked attention in the near future. The extent of her known minerals is almost limitless, and as yet only a small part of the country has been systematically prospected. The mining laws of the country are very generous and no license is necessary for the prospector, who will receive every encouragement and assistance from the government.

Newfoundland is peculiarly favored in that virtually all her deposits, of whatever kind, are at or near tidewater. This facility of transportation, combined with markets in close proximity, is a factor that can hardly be over-estimated.

In virtually every case the grade of mineral is sufficiently high so that, with modern methods, and efficient management, the deposits can be worked profitably. The additional fact that ample power is available in every locality, and that deposits contain large tonnage are all important factors in considering Newfoundland's mining future.

Come and See a New and Thriving Country. Offers Many Attractions and a Multitude of Material Inducements

For Detailed Information Apply Government Offices, St. John's, Nfld.

NEWFOUNDLAND

Canada Cement

Gross Earnings May be Lower Due to Cut in Price, But Net Will be Much the Same as in 1925 — Strength Maintained

The annual report of the Canada Cement Company will shortly make its appearance and will reveal the effect of the low prices of cement prevailing in the province of Quebec. It is generally thought that while the gross earnings of the company may show some decline over the 1925 figures, the net earnings will be much about the level of last year.

A year or so ago, when the National Cement Company first entered production, the Canada Cement Company cut the price of cement in Quebec by about one third. The lower price affects principally the sections of the Dominion where the company meets the direct competition of the National Cement Company. But this area consumes about two-thirds the total output of the company. Therefore, it would appear reasonable to presume that the gross earnings will be affected somewhat by the reduced prices.

Largest Producer of Cement

The company controls around four-fifths of the output of cement in the Dominion. While it does some export business this part of the output plays but a minor role in its gross revenues. The total volume of cement consumed depends chiefly on the construction activities which prevail in the Dominion. During 1926 there was a decided increase in the total cement used and the outlook for the coming year indicates that again a large volume will be consumed.

Little variation is shown in the volume of profits over the last ten years, with the exception of 1927, when the manufacture of munitions was swelling the profits of most of the leading industrials of Canada and in the deflationary years of 1920 and 1921.

Has Made Big Strides

To see the real progress of the company it is necessary to compare its balance sheets. Over a term of years, the company has steadily decreased its total assets standing on its books and steadily increased the total of its current assets. Coupled with this, it has steadily increased its holdings of bonds and its investments in other companies, so that at the present time it is understood that the revenue from investments is sufficient to meet the preferred dividend requirements. The impregnable state of the company's balance sheet is the factor underlying the strength of its shares, which over the past year, have appreciated largely in value despite the lower price of cement.

There seems to be but little hope for increased dividend—until 1929. The president of the company has repeatedly stated that there would be no increase in the dividend until the bonds were retired. The bond issue matures October 1, 1929.

Record of Achievement

Ten years ago, the company's investment account amounted to only $35,234, whereas to-day it stands at about $8,000,000. At the end of 1916, the reserves amounted to $750,000; at the present time the reserves run to nearly $4,000,000. During these ten years also the funded debt has been reduced by some $3,000,000. During the same period, despite the fact that many additions and improvements have been added to the plant, the plant account has been reduced by $8,500,000.

The Canada Cement Company was incorporated in August, 1909, as a merger of twelve companies engaged in the production of Portland cement in Western and in Eastern Canada, thus achieving, with the exception of one or two smaller companies, a virtual monopoly of the cement business of the Dominion. The company now controls fifteen mills situated in Quebec, Ontario, Alberta and Manitoba; in addition it is understood that it holds securities of U.S. cement producers. The company's investment account is made up of the securities of many companies, one of the largest of which is the Consumers' Glass Company, a leading glass manufacturer in the Dominion which is controlled by the Canada Cement. It also controls gypsum mines and several other projects.

Looking Well Ahead

While the stock is fairly widely held, it appears to be held largely only by those who are not looking for any immediate profit, but who are looking two or three years hence to the time when the excellent earnings of the company must eventually be more largely distributed to the shareholders.

Long ago, the stock reached the position where it was regarded as a sound investment. By the accumulation of surplus earnings which have yearly been ploughed back into the property, all the "water" in the original merger has been entirely squeezed out. The earnings shown on the profit and loss account are nothing like as spectacular as are sometimes imagined for it has been the management's policy to build up the financial structure, rather than to endeavor to build up the market position of the shares. The result has been that the record of the stock has been impressive also.

Capitalization—

	Authorized	Outstanding
Common	$19,000,000	$13,500,000
Preferred ... 7% cumulative.	11,000,000	10,500,000

Funded Debt—
First mortgage, 6% gold bonds, due 1929, outstanding $4,883,347.

Dividend Record—
Preferred dividends paid regularly since Jan. 1, 1910; payments quarterly Feb., Mar., Aug., and Nov. 16. Initial dividend of 3% on common stock paid Feb. 16, 1916; Sept. 16, 1916 3%; Jan. 16, 1917, to date, 1½% each quarter, Jan., Apr., July and Oct. 16.

Officers and Directors—
F. P. Jones, pres. and gen. man.; A. C. Tagge, vice-pres.; H. J. Fuller, vice-pres.; H. L. Doble, controller and sec-treas.; M. A. Hoey, pur. agent; G. C. Edwards, R. E. Webster, R. W. Kelley, E. M. Young, D. M. Butchart, T. A. Russell, G. W. Allan, C. C. Ballantyne, Farquhar Robertson, Hon. J. P. Casgrain, Hon. J. L. Perron, Angus McLean.

Profit and Loss—

	1924	1925
*Income	$2,205,590	$3,344,006
Bond int.	326,190	307,459
Balance	$1,879,400	$2,036,547
Fire ins. sur.	....	150,570
Balance	$1,879,400	$1,885,977
Cont. res.	210,000	200,000
Balance	$1,669,400	$1,685,977
Extra res.	40,000	40,000
Balance	$1,629,400	$1,645,977
Indi. acc. res	23,500	11,000
Net profit	$1,605,900	$1,634,977
Pfd. divs.	735,000	735,000
Balance	$ 870,900	$ 899,977
Com. divs.	810,000	810,000
Surplus	$ 60,899	$ 89,977
Prev. surplus	705,550	1,266,450
Total	$ 766,449	$1,356,427
From F.I.S.	500,000	....
P. & L. bal.	$1,266,450	$1,356.427

*Provision for depreciation for 1925 amounted to $1,543,233.

Provision for depreciation for 1924 amounted to $1,550,366.

Nine Years' Earnings—

Year	Earnings	Dividends	Surplus
1917 .	*$2,861,246	$1,545,000	$2,576,999
1918 ..	*2,215,708	1,545,000	2,677,643
1919 ..	3,057,553	1,545,000	1,424,857
1920 ..	2,362,742	1,545,000	898,970
1921 ..	2,636,460	1,545,000	614,000
1922 ..	*2,403,101	1,545,000	653,158
1923 ..	*2,235,439	1,545,000	705,550
1924 ..	*2,205,590	1,545,000	1,266,450
1925 ..	*2,344,006	1,545,000	1,356,427

* After allowing for depreciation.

Market Record—

	1924		1925		1926	
	H	L	H	L	H	L
Cm.	93⅛	83	114	90½	128	98
Pf.	108	102½	117½	107	120	113
Bds.	103½	100	103¼	100	103	100½

Cockshutt Plow

Company is Said to Have Enjoyed Best Year Ever — Dividend is Declared

Cockshutt Plow Co., Brantford, in 1926 enjoyed one of the most active years in its history, according to authentic information available in advance of the annual statement. While the exact condition may not be known until the annual meeting is held on the return of Col. Henry Cockshutt from Europe, profits are judged to have been highly satisfactory, in comparison with recent years, from the fact that a 4 per cent. dividend has been declared on the preferred, which was 56 per cent. in arrears.

The company has gained some business in the export field and the domestic market has improved enormously with the increase in the buying power of the agricultural community.

It is thought probable that within a few months some proposal will be made regarding the preferred stock in order to take care of the arrears. But if any specific plan in this regard is being considered the details have not been divulged and it is not likely that they will become known for some months.

The company owns large works at Brantford and valuable warehouses also at Winnipeg, Calgary, Regina, Saskatoon, Edmonton and Brandon with other agencies in strategic centers. The main plant at Brantford is on a site of 33 acres, not including the works of the Brantford Carriage Co., which it controls along with Adams Wagon Co.

Capitalization—

	Authorized	Outstanding
Common	$7,500,000	$5,000,000
Preferred 7%	7,500,000	6,465,000

Funded Debt—
None.

Dividend Record—
Preferred paid to June 30, 1914, since which date 31½% has been paid, leaving 56% in arrears as at Dec. 30, 1926. No dividend paid since March, 1924; 4% declared payable Feb. 8, 1927. No dividends on common.

Officers and Directors—
Col. H. Cockshutt, pres.; F. Perry, vice-pres.; A. K. Bunnell, 2nd vice-pres.; E. Fitzgerald, G. A. Baker, E. A. Mott, gen. mgr. and treas.; G. K. Wedlake, works mgr.; E. Sweet, sec.; F. A. Ames, asst. sec.

Profit and Loss—
.297,71

	1924	1925
Profits	$ 64,346	$313,506
Written off	61,671	297,717
Dividend pref. ...	64,650	......
Surplus	x$ 61,975	$ 15,789
Prev. surplus	116,277	54,303
Total surplus	$ 54,302	$ 70,092

x Deficit.

Eight Years' Earnings—

Year	Earnings	Dividends	Surplus
1918 ...	$553,215	$258,600	$ 86,401
1919 ...	571,587	258,600	399,388
1920 ...	660,921	484,875	574,434
1921 ...	624,292	258,600	251,761
1922 ...	5,657	258,600	3,193
*1923 ...	98,636	387,900	116,277
1924 ...	64,346	64,650	54,302
1925 ...	313,506	......	70,092

* For 18 months.

Canada Machinery

Fiscal Policy is Drag on Company But Canadian Prosperity is Helpful

An unstable fiscal policy has affected Canada Machinery Corporation, but improved domestic conditions and the possibility of revision in the tariff make the outlook perhaps more promising than it has been for several years.

Canada Machinery Corporation was formed in 1910. Included in the companies manufacturing woodworking machinery and machine tools were MacGregor, Gourlay & Co., Galt; John Ballantine & Co. Preston; Hespeler Machinery Co., Hespeler; together with the woodworking departments of Goldie & McCulloch Co., Galt; and Sussex Manufacturing Co., Sussex N. B. These with the London Machine & Tool were concentrated at Galt and Hespeler in 1915.

Capitalization—

	Authorized	Outstanding
Common	$1,250,000	$1,177.500
Pref. 7% non-cum.	750,000	602,450

Funded Debt—
First mortgage 6 per cent. 30-year bonds. Dated Aug. 1, 1910, due Aug. 1, 1940, $247,000.

Dividend Record—
Preferred 7 per cent. paid for year ended Jan. 31, 1918, 1919, 1920, 1921. Common, 2 per cent. paid, 1918; 5 per cent. 1919; 5 per cent. April 15, 1920. None since.

Officers and Directors—
T. H. Watson, pres.; G. D. Forbes, vice-pres.; R. O. McCulloch, C. H. Easson, G. R. Gray, B. H. Neill, sec.-treas.

Profit and Loss—

	1924	1925
Net loss for year	$ 19,784	†$ 319
Debit bal. forward	163,161	182,946
† Profit.	$182,945	$182,627

Nine Years' Earnings—

Year	Earnings	Dividends	Surplus
1917 ...	$176,711	$ 42,175	$ 96,130
1918 ...	277,101	65,725	100,880
1919 ...	128,144	101,050	103,197
1920 ...	103,162	101,050	73,414
1921 ...	......	......	x95,470
1922 ...	x54,264	......	x153,240
1923 ...	x9,921	......	x163,161
1924 ...	x19,784	......	x182,945
1925 ...	319	......	x182,627

x Debit. † Profit.

Port Hope Sanitary

Enamelware Makers Plow Much of Earnings Back Into Business

Port Hope Sanitary Manufacturing Co. is in a strong position. In the year ended December 31st, it charged off a further $99,999 credited to goodwill, leaving that item on the asset side of its balance sheet as $1. Relation of current assets to current liabilities also is highly gratifying, the former being $344,712 and the latter $71,357. Net operating profit for the year was $239,691.

This company has been spending heavily on improvements in its manufacturing facilities. It is enabled to compete in the domestic market against competitors which are able to draw on large American parent manufacturers for designs, and who are assisted in marketing by the weight of advertising of bathroom equipment, etc., in magazines which have large circulations in this country. The products are sold somewhat under the prices at which similar goods can be imported.

Common stock of this company experienced quite a flurry on the Toronto stock exchange in November, but according to persons who are in a position to know, there was no justification for the rapid rise. The fact was that the company has been doing very well but it was said that no stock split or melon was contemplated.

Capitalization—

	Authorized	Outstanding
Common	$750,000	$749,500
Preferred .... 7% cumulative.	300,000	249,400

Funded Debt—
None.

Dividend Record—
Preferred 7% annum, payable Mar., June, Sept. and Dec. 1. Two years' dividends to Aug. 31, 1919, were paid by the issue of $56,000 preferred stock. On common an initial dividend of 6% was paid Dec. 20, 1922; 3% paid in 1926.

Officers and Directors—
J. A. Kilpatrick, pres., Fred Armstrong, vice-pres. and gen. mgr.; F. J. Neale, D. M. Galloway, C. E. Jobb, W. A. H. MacBrien, J. W. Cluff.

Profit and Loss—

	1924	1925
Profits	$181,928	$239,692
Other profits	14,179	11,045
	$196,107	$250,737
Insurance	......	......
Depreciation	53,180	54,762
Income tax	12,932	20,819
Writ. off goodwill	106,626	99,999
Plant reserve	......	77,000
Net profits	$ 23,369	*$ 1,843
Bal. forward	49,829	53,674
* Deficit.	$ 73,198	$ 51,831
Pref. dividend	19,524	17,458
Balance	$ 53,674	$ 34,373

Earning Rate—

% on common	0.51	...
% on preferred ..	9.35	...

Seven Years' Earnings—

Year	Earnings	Dividends	Surplus
1920	69,292	87,593	54,592
1921	91,211	31,920	75,928
1922	203,785	76,890	49,130
1923	198,407	28,442	49,829
1924	181,928	19,524	53,674
1925	239,692	17,458	34,373

Market Record—

	1924		1925		1926	
	H	L	H	L	H	L
Pref.	90	90	100	88	106	99
Com.	61¼	48	85	53	130	74½

McKinnon Industries

1926 Earnings Drop Slightly But Gross Business Increases Substantially

While earnings of McKinnon Industries, Ltd., St. Catharines, were somewhat less in the fiscal year ended September 30, 1926, than for the previous year, the balance sheet of the company indicates a sound financial position, with the outlook more promising for 1927 than for a number of years.

The report of the directors stated that the Buffalo end of the business had not been so satisfactory as had been hoped. The gross volume of business was $500,000 greater than in the previous year, but unsatisfactory clauses in the tariff and other competitive conditions accounted for the $18,000 drop in earnings.

McKinnon Industries are about 50 years old, having grown from a business founded on only $2,000 capital. The employees now number about 700 in two plants at Buffalo and one at St. Catharines. The company in the last year acquired the Canadian business of the J. H. Williams Co.

Capitalization—

	Authorized	Outstanding
Common (No par value.)	50,000 shs.	50,000 shs.
Preferred 7%	$1,000,000	1,000,000

Funded Debt—

First mortgage and col. trust, 6½% bonds, due 1945	1,000,000	1,000,000

Dividend Record—
Preferred payable quarterly, Jan., April, July and Oct.

Officers and Directors—
B. W. Burtsell, pres. and gen. mgr.; W. A. Notman, J. C. Notman, Gideon Grant, N. R. Sinclair, F. L. Pattison, sec.; R. A. Daly.

Profit and Loss—

Year	Earn.	Deprec.	Taxes on Profits	Avail. for Bond Int. & Div.
1923	$387,818	$151,351	$22,000	$214,467
1924	381,246	152,942	21,000	207,304
1925	420,253	153,790	27,000	239,462
1926	402,820	166,703	22,135	213,981

STEEL and IRON PRODUCTS OF EVERY DESCRIPTION

THE STEEL COMPANY OF CANADA LIMITED

Sales Offices
HAMILTON MONTREAL
TORONTO WINNIPEG
VANCOUVER VICTORIA
HALIFAX ST. JOHN

Dominion and Provincial Government Bonds

Municipal Bonds

Public Utility

and

Industrial Financing

Foreign Issues Quoted

DOMINION SECURITIES CORPORATION LIMITED.
Established 1901
E. R. WOOD, President
Head Office: 26 King Street East
TORONTO 2

MONTREAL OFFICE
189 St. James Street

LONDON, ENG., OFFICE
No. 6 Austin Friars

Algoma Steel Corp.

Business Improves Somewhat for Big Plant at Sault Ste. Marie — Lake Superior Corp. is Controlling Interest

Algoma Steel Corp. had a much more encouraging experience in 1926 than in 1925.

The rail mill is not operating at the present time, but rail orders since the close of the fiscal year (June 30) have been somewhat larger and operations have been more extended than in the preceding year. One blast furnace and coking ovens are in operation as well as two blooming mills and the Merchant Mills are receiving a fair business. It is expected a second blast furnace will be blown in the spring.

In the past year this company has sold a large tonnage of by-product coke for domestic use, and could have sold a great deal more if larger supplies of coal for coking had been available. This type of fuel is proving very satisfactory and consumers are adapting themselves to its use with a minimum of difficulty. In this way the company is assisting in making Canadian homes independent of the dwindling supply of high-priced anthracite from the United States and at the same is extending and increasing its own operations and the sale of Algoma products.

Improvement Reported

The Lake Superior Corporation is the holding company for Algoma Steel Corporation, and also for these companies: The Algoma Eastern Railway Co., The Algoma Rolling Stock Co., British American Express Co., Algoma Steel Products Co., Fiborn Limestone Co., Cannelton Coal & Coke Co. (West Virginia), Lake Superior Coal Co., the Sault Ste. Marie Traction Co., the Algoma Central & Hudson Bay Railway, and Algoma Central Terminals.

The report of the directors of the Lake Superior Corporation for the year ended last June 30, notes some improvement over the previous year and, as indicated in the foregoing, there will be still further improvement this year. But the revenue last year did not permit the payment of interest on the income bonds. The net operating loss of $323 for Algoma Steel in 1925, however, was converted into a net operating profit of $393,146 in 1926. The income account of Lake Superior Corporation shows a total of $318,627. After deducting interest on first mortgage bonds, amounting to $263,900, and general expenses of $62,360, the net deficit for the year was $7,632.

Production Grows

There is some reason for encouragement in the following figures showing growth in production in the last two complete fiscal years of Algoma Steel:

	1924-25	1925-26
Coal imported	268,790	462,036
Ore imported	216,144	263,937
Limestone produced	107,042	147,540
Coke produced	218,197	264,500
Pig iron produced ..	155,364	170,196
Steel ingots prod. ..	159,251	185,149
Steel products	123,635	139,019

All mines of the Cannelton Coal Company in West Virginia were operated as market conditions justified, and on a non-union basis without labor trouble. Production was sold in the open market in the winter months and in the navigation season practically the whole production was shipped to the steel corporation at Sault Ste. Marie. There were 531,907 tons mined in the year, as compared with 45,590 tons the year previous. Production from the mines of the Lake Superior Coal Company increased from 352,215 tons to 355,818 tons and nearly all was used by the steel corporation.

The position of the Algoma Eastern Railway was improved somewhat through a decrease of 14 per cent. in expenses and $13,755 reduction in interest charges. Net profits were $23,983 compared with $10,449 the year before. The gross revenues were reduced 10 per cent. due to a falling off in shipments of forest products. Algoma railway and terminals had a net profit, before bond interest, of $35,355, as compared with a net loss, also before bond interest, of $12,635 in 1925.

Capitalization—

	Authorized	Outstanding
Common	$15,000,000	$15,000,000
Preferred	15,000,000	10,000,000

7 per cent. cumulative. All the share capital is held by the Lake Superior Corporation.

Funded Debt—
Purchase money bonds, 5 per cent., due 1944, limited to $5,800,000, outstanding $5,800,000. First and refunding mortgage 5 per cent. bonds due 1962, outstanding $15,366,373.

Dividend Record—
Dividends on preferred regularly paid up to June, 1913, none thereafter until 1918, when 7 per cent. for the year ended June, 30, 1914, was paid; 1919, 7 per cent. for year ended June, 1915, and 3½ per cent. for year ending June, 1916; 1920, 11¾ per cent. for year ended June, 1916; none since. 10¼ years' preferred dividends were in arrears as of June 30, 1926.

Officers and Directors—
W. C. Franz, pres.; J. D. Jones, vice-pres.; J. W. Gemmell, vice-pres.; E. W. Shell, treas.; E. Carey, compt.; Alex. Taylor, sec.; R. Home Smith, H. C. Coleman, W. H. Cunningham, T. D. Wood, R. W. Childs, H. I. Underhill.

Profit and Loss—
Year end: June 30.

	1925	1926
Net earnings ..	†$ 323	$ 415,764
Int. on invest. .	8,917	14,879
	$ 8,594	$ 430,643
Interest	1,078,143	1,069,403
	*$1,069,549	*$ 638,760
Prev. debit bal.	783,154	* 1,852,703
	*$1,852,703	*$2,491,463

* Deficit.
† Loss.

Eight Years' Earnings—

Year	Earnings	Dividends	Surplus
1919 ...	$5,035,032	$1,050,000	$1,433,876
1920 ...	3,147,694	175,000	2,793,444
1921 ...	1,065,906	......	660,083
1922 ...	330,088	......	*171,813
1923 ...	355,093	......	*755,333
1924 ...	1,042,109	......	*779,287
1925 ...	*323	......	*1,852,703
1926 ...	415,764	......	*2,491,463

* Deficit

Lake Superior

Capitalization—

	Authorized	Outstanding
Common	$40,000,000	$40,000,000

Funded Debt—

Bonds 5 per c.	10,000,000	5,278,000

First mortgage due June, 1944. Collateral Trust.
Income bonds.

1 to 5 per cent.	3,000,000	2,315,850

Due Oct., 1929, non-cumulative, 5 per cent. paid 1913-17-18-19-20. None since Oct., 1920.

Contingent Liabilities in Respect of the Guarantees of Bonds of the following companies:
Algoma Cent. & H. B. B. Ry.
Algoma Central Terminals.
Algoma Eastern Railway.
Algoma Steel Corp., Ltd.

Officers and Directors—
W. H. Cunningham, pres.; F. McOwen, S. Mason, H. C. Coleman, T. D. Wood, W. C. Franz, vice-pres.; J. W. Gemmell, vice-pres. and treas.; Alex. Taylor, sec.; R. Home Smith, H. I. Underhill, South Orange, N. J..; R. W. Childs, J. Hawson, vice-pres. and treas.; J. D. Jones.

Profit and Loss—

Year end, June 30.	1925	1926
Gross income	$365,128	$318,627
Expenses	85,060	62,260
Bond interest	263,900	263,900
Net income	16,168	*7,633
Prev. surplus	951,438	967,606
P. & L. surplus ..	$967,606	$959,973

Market Record—

	1924 H.	1924 L.	1925 H.	1925 L.	1926 H.	1926 L.
Com.	5⅜	2½	7⅛	3	4⅜	2½
Inc. bds.	19½	13½	23	13½	10	10

Five Years' Earnings—

Year	Earnings	Dividends	Surplus
1922 ...	$393,891	......	$948,081
1923 ...	340,306	......	955,159
1924 ...	327,711	......	951,438
1925 ...	365,128	......	967,606
1926 ...	318,627	......	959,973

J. S. Mitchell

Newcomer to Investment Field — Earnings Show Increase Over 1925

Whilst there has only been a public investment interest in J. S. Mitchell and Company since the middle of last July, yet the company has been in existence since 1876. In 1926, the preferred shares were offered the public; each preferred share carried with it a bonus of four shares of common stock.

It is anticipated that the company will issue an annual report to the shareholders for the year just concluded and, it is understood, the earnings shown in the income account will be of a very satisfactory nature, for during the last half of 1926, profits were larger than were anticipated. It is thought probable, also, that 1927 will witness the inauguration of dividends on the common shares.

The sales of the company during 1926 have shown a substantial increase over 1925 with a consequent increase in profits. The company sells also electrical supplies and has a large sale of explosives in the asbestos mining areas.

Capitalization—

	Authorized	Outstan'g
Common	15,000 shs.	15,000 shs.

No par value.

Preferred	$1,000,000	$600,000

7 per cent. cumulative. Par $100.

Officers—
J. C. Newman, president; G. W. Murphy, vice-pres. and gen. mgr.

Foundries & Forgings

Outlook for Company Appears to be But Little Changed

Of recent years, the Canada Foundries and Forgings has experienced the same slump in demand and the same low prices which have affected all the steel companies in Canada. It is too early as yet to obtain any definite information regarding how the results obtained in 1926 will compare with 1925. The outlook for the company seems to have changed but little during the past year and while the shares are in the hands of the public, they are practically all closely held. There is little trading in the stock.

Canada Foundries and Forgings operates two plants at Welland and one at Brockville, Ont. It also has the controlling interest in the capital stock of the Mann Axe Company at St. Stephen, N.B.

Through one of its components, the James Smart Manufacturing Company, it manufactures about 700 lines which are sold to the hardware trade; these include such things as furnaces, lawn mowers, hammers and axes. Other plants of the company make forgings ranging in size from that of a screw to the stern post of a ship.

Forgings are used whenever steel or iron must carry a strain. Naturally the railroads are large buyers from the company and purchase such products as locomotive connecting rods. The company sells to the automobile trade also, which uses forged steel for such automobile parts as crankshafts.

Capitalization—

	Authorized	Outstanding
Pref. 7% cum.	$2,000,000	$ 960,000
Com. stock	2,000,000	960,000

Funded Debt—
First mortgage sinking fund, 6 per cent. bonds, due Feb. 2, 1942; interest payable 2nd Feb. and 2nd Aug. $223,900.

Dividend Record—
Preferred 7 per cent. per annum payable 15th Feb., May, Aug. and Nov., but last dividend paid Feb. 15, 1921. Initial dividend on common of 10 per cent. paid Feb., 1916; May, 1916, 4 per cent. and bonus of 3 per cent.; from that date 3 per cent. was paid quarterly, together with bonuses of 3 per cent. up to Feb., 1917, inclusive; May, 1917, to Aug., 1920, 3 per cent. each quarter; Nov., 1920, 1 per cent.; none since.

Officers and Directors—
W. M. Weir, pres.; Hon. Geo. P. Graham, vice-pres.; H. B. Housser, Lt.-Col. C. W. MacLean, C. N. Monsarrat, W. D. Robb, W. T. Sampson, J. H. A Briggs, sec.-treas.; Jas. Arnold, gen. mgr.; H. J. Trihey.

Profit and Loss—

	1924	1925
Net profits	$ 42,692	$ 76,364
Other income	10,000	27
Total income	$ 52,692	$ 76,391
Interest	29,683	26,418
Administration ..	30,506	26,006
Invent. reserve ..	.....	.....
	*$ 7,497	$ 23,967
Previous balance .	972,048	964,552
P. and L. surplus .	$964,551	$988,519

* Deficit.

Nine Years' Earnings—

Year	Earnings	Dividends	Surplus
1917 ...	$695,586	$211,200	$1,128,281
1918 ...	612,1:7	182,400	1,297,706
1919 ...	242,062	182,400	1,285,222
1920 ...	117,475	163,200	1,204,273
1921 ...	*3,704	5,600	930,599
1922 ...	74,342	......	947,912
1923 ...	129,657	......	972,048
1924 ...	52,692	......	964,551
1925 ...	76,391	......	988,519

* Loss.

Market Record—

	1924 H	1924 L	1925 H	1925 L	1926 H	1926 L
Com.	31	19½	20	15	17	8
Pref.	60	44½	50	35	70	41½

Dominion Foundries & Steel

Plate Mill That Never Has Produced a Plate Because of Tariff is Big Drag on Company Operating at Hamilton

Dominion Foundries & Steel, Ltd., Hamilton, was one of the industries which paid fat dividends during the war but which has been unable to pay anything since 1921. It is learned, however, that the unsatisfactory situation which has prevailed for five years is slowly being readjusted and it is confidently hoped that the company will be able to get back to firm ground.

This company is joining others in the steel industry in asking for a revision of certain tariff items. The item in which Dominion Foundries is principally interested is the duty on steel plates. The existing duty of $3 per ton is not sufficient to prevent foreign mills from getting all of the domestic business. The steel companies manufacturing plates in Canada ask for a duty of $9 the ton. They point out the increased duty would not add more than 25 cents per $1,000 of value to the cost of manufacturing railroad cars and only $12 per $1,000 to the cost of bridges and other structural work.

Owns Fine Plate Mill

Dominion Foundries & Steel have $4,000,000 invested in one if the most modern plate mills. It is claimed that there is no other plate mill of equal efficiency in Canada. If it were operated at capacity more than 1,000 men, most of them highly skilled, would be constantly employed. But the mill completed several years ago has never produced a plate.

If the tariff board accedes to the request for the moderate readjustment in the tariff needed to make operation of this mill profitable, it is apparent that the position of Dominion Foundries & Steel would be improved more rapidly than otherwise would be the case. About 400 men are employed in the foundries and other branches of the company's business.

Profits from operations in 1926 are believed to have been somewhat better than in 1925, although the report will not be available for some weeks yet. In 1925, the profits were $54,839, which was a little less than half the operating profit in the previous year. Depreciation, interest and taxes left only $553 to be added to the surplus, which at the end of last year was $491,989.

Capitalization—

	Authorized	Outstanding
Common	$5,000,000	$2,998,100
Pref. 8 per cent. cumulative	1,000,000	719,900

Dividend Record—
Last preferred dividend paid June, 1921. Common paid 18 per cent. in 1918, 15 per cent. 1919, 4 per cent. 1920. 1921 gave script dividend one share Adirondack Steel Com. for every 5 D. F. & S.

Officers and Directors—
C. W. Sherman, Hamilton, pres.; W. J. Verity, vice-pres., Brantford; F. A. Sherman, A. G. Wright, sec.; S. A. Crone, New York; S. Burrows, Belleville; J. Ruddy, G. H. Gordon, G. H. Levy.

Profit and Loss—

	1924	1925
Profits	$113,722	$ 54,838
Interest	$ 47,216	$ 44,286
Depreciation	63,000	7,625
Bond expense	2,000	2,000
Income tax	.....	374
Balance	$ 1,506	$ 553
Prev. balance	$489,930	491,436
	$491,436	$491,989

Seven Years' Earnings—

Year	Earnings	Dividends	Surplus
1919	$654,000	$ 57,600	$596,400
1920	204,369	177,042	701,488
1921	*76,775	29,172	570,140
1922	*2,154	......	484,750
1923	203,798	......	489,929
1924	113,722	......	491,436
1925	54,838	......	491,989

* Loss in operations.

Market Record—

	1924 H	1924 L	1925 H	1925 L	1926 H	1926 L
Com.	11	7½	..	..	..	..
Pref.	43	36⅞	..	..	..	..

Lyall Construction

Has $10,000,000 in Work on Hand Lasting Over Next Three Years

The P. Lyall and Sons Construction Company still has $4,000,000 of work to do to complete its Welland canal contract. The job will require about one year more. Last year, the company secured the contract for the steel gates of the canal. This work is to be carried out by a wholly owned subsidiary; it will take three years to complete.

The suit for $247,461 which was entered by the Pacific Construction Company has recently been satisfactorily settled. The suit arose out of work on the drydock at Esquimalt which was more or less recently completed by Lyall Construction.

The present plans regarding the Toronto viaduct call for its completion in about one and a half years' time. Thus, the company has on hand contracts totaling some $10,000,000 which will not be completed for three years.

Industrial construction this year will probably remain at the high levels established in 1926; it seems reasonable to presume that the company will obtain its share of the new contracts offering in 1927.

During the past year the bad weather which prevailed during the warmer months handicapped construction activities on the Welland canal; naturally, the company, in common with the other contractors, was delayed somewhat in its schedule of work.

Capitalization—

	Authorized	Outstanding
Common	$1,750,000	$1,750,000
Preferred	1,500,000	1,300,000

7% cumulative.

Funded Debt —
First mortgage, 6 per cent. bonds, due 1923, authorized $1,250,000, outstanding $543,400.

Dividend Record—
Preferred 7% per annum, payable Feb. and Aug. Paid regularly since 1913. Common reduced from 8% to 4% per annum for quarter ending Dec. 31, 1921. Passed for quarter ended March 31, 1922, and since.

Officers and Directors—
William Lyall, pres. and man. dir.; T. O. Lyall, vice-pres. and treas.; Hugh Mackay, K.C.; H. W. Beauclerk, J. W. Pyke, Jas. Ballantyne, C. R. Redfern, Robt. Whyte, sec.

Profit and Loss—
Year end. March 31:

	1925	1926
Earnings	$260,121	$262,292
Bond interest	40,574	34,074
Sinking fund	71,200	73,500
	$111,774	$107,574
Bal. for dividends ..	$148,347	$154,718
Pref. dividends	91,000	91,000
Surplus for year ...	$ 57,347	$ 63,718
Prev. surplus	358,569	415,916
P. & I. surplus	$415,916	$479,634

Earning Rate—

	1924	1925	1926
% on common ...	0.52	3.27	3.64
% on preferred ..	7.71	11.41	11.90

Nine Years' Earnings—

Year	Earnings	Dividends	Surplus
1917-18 ..	$1,491,082	$161,000	$365,852
1918-19 ..	1,314,582	231,000	402,001
1919-20 ..	377,734	231,000	438,071
1920-21 ..	375,265	231,000	472,099
1921-22 ..	240,738	213,500	389,219
1922-23 ..	161,097	91,000	349,331
1923-24 ..	210,698	91,000	358,569
1924-25 ..	260,121	91,000	415,916
1925-26 ..	262,292	91,000	479,634

Market Record—

	1924 H	1924 L	1925 H	1925 L	1926 H	1926 L
Com	31	9	29	11	48	20
Bonds	90	87⅝	93½	92¼	94¼	92

Canadian General Electric

Business Remained at Large Volume Throughout 1926, With Orders More Than 30 Per Cent. Above Previous Year

Business of the Canadian General Electric Co. in 1926 was approximately 30 per cent. greater in volume than the previous year and it is expected that when the annual report is available within a few weeks, substantial increases in net earnings will be shown. Sales were maintained in high volume throughout the year, in contrast to 1925, when the early part of the year was somewhat slow in the electrical business generally. With many new capital expenditures provided for in a number of industries requiring large quantities of electrical equipment, and with the nation making rapid progress, prospects for 1927 are bright.

General Electric Co. (United States) since 1923 has held a controlling interest in Canadian General Electric. In that year a majority of the common stock was purchased on the basis of $62.50 cash and a $50 par value share of new 7 per cent. preferred stock of the Canadian company. More than 90 per cent. of the common is thus held by the American company and the balance is owned by a few individuals in the United States and Great Britain.

D. C. Durland, an executive formerly with General Electric at Schenectady, is actively in control of the Canadian company and under his supervision material progress has been made.

Canadian General Electric since the American company secured control has had the advantage of consultation with the engineers at Schenectady and the asset of being able to use the invaluable research services maintained at Schenectady has been taken advantage of to the full. At the same time, executives of the Canadian company are eager to point out that the Canadian company, as formerly, is self-contained in all its manufacturing activities.

The company has four plants in Toronto, two at Peterborough, and others in Montreal and Stratford. The total area is 99 acres and the buildings contain 1,650,000 square feet of floor. There are about 440 acres of vacant factory land also, as well as three factory properties which are potentially valuable for manufacturing by Canadian General Electric or some of its subsidiaries. Sales offices are maintained in important centers and there also are warehouses in Halifax, St. John, Montreal, South Porcupine, Winnipeg, Calgary, Vancouver, Sydney, Ottawa, London, Windsor, Cobalt, Hamilton and Edmonton.

Capitalization—

	Authorized	Outstanding
Common	$18,000,000	$9,442,250
Pref.	18,000,000	8,557,750

Par $50.
On Feb. 15, 1924, shares of common stock of $100 par value were converted into shares of $50 per value.

Funded Debt—
None.

Dividend Record—
Dividends on preferred formerly outstanding were regularly paid. Initial dividend of ⅞ per cent. on new preferred paid March, 1924; regular payments since quarterly. Common reduced from 8 to 6 per cent. for quarter ended June, 1922, and paid to quarter ended Dec., 1923; ¾ per cent. paid Feb., 1924, and ¾ per cent. April, 1924; none since. Bonus 2 per cent. paid April, 1920; stock bonus of 20 per cent. paid Aug., 1921.

Officers and Directors—
A. E. Dyment, chairman of board; D. C. Durland, pres.; S. Haas, vice-pres.; J. J. Ashworth, gen. mgr.; G. W. Beardmore, H. C. Cox, F. Gordon Osler, Hon. R. B. Bennett, Sir Herbert Holt, W. L. Matthews, W. G. and W. D. Ross, E. G. Patterson, A. M. Stewart, K.C., J. H. Black, J. A. Bremner, asst. gen. mgr., W. H. Nesbitt, sec., E. I. Jenking, treas.

Profit and Loss—

	1924	1925
Profits	$1,593,631	$1,617,093
Interest	415,158	83,341
Depreciation ..	600,000	600,000
Prem. on debs.	......	375,000
Net profits ...	578,473	558,752
Dividends	512,226	553,542
	66,247	5,210
Bal forward ..	6,629,768	2,744,105
Total surplus .	6,696,015	2,749,315
Trans. res.	3,951,909	......
Int. written off	......	......
	$2,744,105	$2,749,315

Nine Years' Earnings—

Year	Earnings	Dividends	Surplus
1917 ..	$2,051,609	$ 780,000	$4,466,293
1918 ..	2,013,996	780,000	5,122,776
1919 ..	1,617,989	780,000	5,436,098
1920 ..	2,213,731	1,014,114	5,778,672
1921 ..	1,707,339	927,038	7,557,726
1922 ..	532,791	841,879	6,820,411
1923 ..	1,482,234	822,985	6,629,768
1924 ..	1,593,631	512,226	2,744,105
1925 ..	1,617,093	553,542	2,749,315

Market Record—

	1924 H.	1924 L.	1925 H.	1925 L.	1926 H.	1926 L.
Com.	58½	52½	55	53	53	47
Pref.	56½	51⅛	60	50	60	53¼

J. P. ANGLIN, B.Sc., President.
H. J. GROSS, Vice-Pres. and Treas.
C. D. HARRINGTON, B.Sc., Vice-Pres. and Manager.

ANGLIN-NORCROSS

Contracting Engineers and Builders

ROSS & MACDONALD—Architects.
H. L. FETHERSTONHAUGH—Associates.
CHATEAU APARTMENTS, Montreal.
ANGLIN-NORCROSS, LTD.—Gen. Contractors.

SOME OF OUR BUILDINGS

MANUFACTURING AND INDUSTRIAL BUILDINGS

Ames-Holden-MCready, Limited
Canadian Ingersoll Rand Company (4).
Halifax Shipyards Limited
Tidewater Shipyards Company
Belding-Corticelli Limited (2)
Food Specialists of Canada, Limited,
Ford Motor Company, Toronto
Knit-to-Fit Manufacturing Company
Singer Sewing Machine Company
Crane Limited (2)
Canadian Cottons Limited (5)
Steel Co. of Canada, Limited
Grinnell Company, Limited
E. B. Eddy Co., News Print Plant, Hull.
C.N.R. Roundhouses and Yard Facilities. Toronto.

OFFICES AND BANKS

Crane Limited
Drummond Building
Henry Birks & Sons (Halifax)
Bell Telephone Company (3)
Insurance Exchange Corp., Limited
Merchants Bank, Toronto
Bank of British North America, Montreal
Imperial Bank, Montreal
Food Specialists of Canada, Limited
T. Eaton, Limited, Montreal
Albee Building
Furness-Withy Company.
Bank of Montreal, Winnipeg.
Bank of Toronto, H. O. Toronto.
Canadian Bank of Commerce (2)
Crane Limited

TRUST AND INSURANCE BUILDINGS

Royal Trust Building, H. O. Montreal
Manufacturers Life Insurance Co.
National Trust Building, Montreal
Crown Trust, H. O. Montreal

EDUCATIONAL

Central Technical School, Toronto
King Edward School, Montreal
Kitchener Collegiate
McGill Arts Building
Queen's University (Library)
Loyola College
Catholic High School, Montreal
Renfrew Collegiate

HOTELS AND APARTMENTS

Chateau Frontenac (Hotel)
Chateau St. Louis (Apts.)
Chateau Apartments
Drummond Court Apartments

OTHER CLASSIFICATIONS

St. Denis Theatre
Children's Memorial Hospital
Sherwin-Williams Company
Canadian National Station, Montreal
Royal Coliseum, Toronto
Levis County Railway Car Barns

MONTREAL QUEBEC TORONTO

Page-Hersey Tubes

Earnings Continue at Satisfactory Rate Following Capital Reorganization With Successful Management Remaining in Control

Page-Hersey Tubes, Ltd., was incorporated with a Dominion charter in 1926 to acquire and operate the business, plants and undertakings of Page-Hersey Tubes, incorporated in 1920, along with these subsidiaries:

Cohoes Rolling Mill Co., Mohawk Conduit Co., National Tube Co., Page-Hersey Export Co., and Page-Hersey Trading Co. The new company purchased all the assets of the old company except a portion of the surplus represented by bond investments.

The original incorporation was in 1902 as Page-Hersey Iron & Tube Co. and the company began operations in 1903 with a mill at Guelph, Ont., with a 30,000-ton yearly capacity of butt-welded steel pipes up to three inches in diameter. In 1910 a mill of 40,000 tons annual capacity was constructed at Welland to make lap-welded pipes up to ten inches diameter, followed in 1911 by another plant at Welland with 25,000 tons annual capacity to make lapwelded steel pipes of from quarter inch to three inches diameter. In 1912 a similar plant was constructed at Fort William but this has since been sold and converted to other uses.

Assures Skelp Supply

In 1917, the Cohoes Rolling Mill Co., which had been in operation since 1854, making wrought-iron skelp and wrought-iron pipe, at Cohoes, N.Y., was bought to assure a steady supply of skelp for the Canadian plants. In 1925 a second plant was constructed at Cohoes to manufacture steel pipes and conduits for electrical wiring.

In addition to wrought-iron pipes and wrought-iron skelp, the plants manufacture tube joints, bends, sockets and nipples, railway signal tubes, steel tubing for gas wells, pipe for piping oil and gas, and coils for refrigerating apparatus, drying rooms, sugar refineries, soap works, and so forth. The company not only has a gratifying domestic business but its products are favorably known in the United States, Great Britain, Newfoundland, Africa, New Zealand and other countries.

The total net tangible assets at the time of the reorganization were estimated and appraised conservatively at $7,123,064. Deducting the $2,000,000 first mortgage bonds from this left $5,123,064 as equity behind the preferred stock, or the equivalent of $170 the share. The shares were offered the public at par, but old shareholders had the privilege of buying in at $96.50.

Stock Highly Regarded

Both preferred and common stocks have been well received by the investment public, both issues being highly regarded for immediate return with the probability of appreciation in value for holders. The conversion privilege of the preferred stock makes the investment especially attractive. This provides that the holders of the 7 per cent. stock, at any time prior to January 2, 1934, may convert each share of preferred into two shares of no-par value common, and the calling of such preference shares for redemption shall not extinguish the right of conversion until the expiration of the 90-day redemption notice, and the redemption takes place.

Average annual net earnings of the companies consolidated under the one name were $626,000 in the four years ended December 31, 1925. The 1925 earnings were $780,000 and the earnings for the first four months of 1926 were $315,628.

The same active management under which these gratifying results were obtained continues in the new company.

Capitalization—

	Authorized	Outstanding
Common ...	175,000 shs.	111,120 shs.
No par value.		
Preferred ...	$3,000,000	$3,000,000
7% cum., par $100.		

Funded Debt—
Sinking fund gold bonds, 6%, due 1946, $2,000,000.

Dividend Record—
Preferred, 7% per annum, payable quarterly, Jan., Apr., July and Oct. 1 Common, $3 per share per annum. First quarterly payment made Oct. 1, 1926.

Officers and Directors—
W. W. Near, pres. and gen. mgr.; H. C. Scholfield, vice-pres.; D. H. Friedman, vice-pres.; Hon. D. Muhlfelder, C. L. Dunbar, Sir H. M. Pellatt, C.V.O.; A. W. Holmsted, H. J. Fuller, A. E. Ames, H. Rooke, sec.-treas.

Market Record—

	Preferred High	Preferred Low	Common High	Common Low
1926	120	100½	59½	43

Canadian Car

Shares Rise in Anticipation of Improved Earnings During Current Year — Profits Depend on Rolling Stock Purchases

The recent rise in the shares of the Canadian Car and Foundry Company is due in part to the bettered earnings of the railways, which indicate increased purchases by the biggest customers of the company this year. The company was organized in 1909 as a consolidation of various railway car manufacturing plants and iron and steel plants and, during the past fifteen years, has built over 60 per cent. of the rolling stock built in Canada.

Eight plants in all are operated. The building of railway cars requires an organization that is complete and expansive; one car building plant, for instance, will include numerous self-contained manufacturing units, such as grey iron foundries, chilled wheel foundries, upholstering, bolster and spring departments.

Four car-building plants are operated: two in Montreal, one in Amherst, N.S., and one in Fort William, Ont. These plants have a rated capacity of 25,000 freight cars and 550 passenger cars per annum; in addition, the plants have an added capacity for such things as car wheels, steel couplers, steel castings and switches.

Several Subsidiary Plants

Canadian Car owns and operates two subsidiaries, Pratt and Letchworth Company and the Canadian Steel Foundries. The First manufactures malleable iron castings and a number of other specialties used on cars, whilst the latter owns all the capital stock of the Ontario Iron and Steel Company at Welland, and the Montreal Steel Works at Montreal. The latter operates two plants.

The railway car building industry has been over-extended in Canada, while the obtaining of orders for new cars is naturally a speculative business, yet the speculative element is the greater, due to the excessive capacity of the various plants engaged in this industry in Canada.

Due to the fact that there is either a feast or a famine of orders for new cars, the yearly earnings of Canadian Car have shown very wide fluctuations.

The Reparation Claims

The company has a claim for some $3,000,000 before the War Reparations Board in the United States for losses sustained during the war. Recently rumors have again revived the story that some of these claims would be met, but, so far as can be ascertained, the prospect of a settlement still seems far distant. The outlook for the year 1927 seems fairly satisfactory and it is generally anticipated that earnings will show a marked increase. Despite the speculative character of the business, the Canadian Car management has built itself up into a strong financial position. The strong working capital position which has been built up and has been maintained over a term of years has undoubtedly increased the popularity of the securities with the public. Since 1922, this company has reduced its mortgage indebtedness and its notes outstanding from over $8,600,000 to about $6,000,000.

Capitalization—

	Authorized	Outstanding
Com.	$5,000,000	$4,975,000
Pref.	7,500,000	7,500,000
Par $100.		

Funded Debt—
Bonds—first mortgage 6 per cent., due Dec. 1, 1939, $3,608,273, 1st mortgage 6 per cent. bonds due 1936, of Canadian Steel Foundries Co., $1,295,506; 1st mortgage, 6 per cent., due 1940, of Montreal Steel Works, $475,000.

Dividend Record—
Preferred paid quarterly. Deferred for quarter July, 1914; 3½ per cent. paid July, 1918, 7 per cent. in 1919, leaving 22¾ per cent. in arrears to Sept., 1920. Arrears paid Dec., 1920, 5¼ per cent., paid in 1921. Arrears 3½ per cent., paid Oct., 1923; Jan., 1924; April, 1924; July, 1924, and Oct., 1924; 5¼ per cent. in full of arrears paid Jan., 1925. 1¾ per cent. paid quarterly since. Common 2 per cent. paid Dec., 1910; 4 per cent. Dec., 1911; 2 per cent. June and Dec., 1912; June and Dec., 1913; June, 1914; none since.

Officers and Directors—
Hon. Nathaniel Curry, chairman; W. W. Butler, pres.; W. F. Angus, vice-pres.; H. W. Beauclerk, V. M. Drury, Hon. C. P. Beaubien, Wm. McMaster, F. W. Clergue, Hon. E. C. Smith, Mark Workman, Hon. L. C. Webster, W. S. Atwood, vice-pres.; J. B. Brodie, treas.; A. D. Neale, vice-pres.; A. C. Bourne, sec.; L. A. Peto, comptroller.

Profit and Loss—
Year end. Sept. 30:

	1924-25	1925-26
Profits	$ 256,388	$ 714,825
Int. earned	·232,485	132,089
Total	$ 488,873	$ 846,914
Int. paid	416,644	385,054
Balance	$ 72,229	$ 461,860
Tax provn.	......	......
Balance	$ 72,229	$ 461,860
Depn.	402,000	402,000
Net profit	*$ 329,771	$ 59,860
Pfd. divids.	525,000	525,000
Balance	*$ 854,771	*$ 465,140
Prev. sur.	3,903,870	2,655,349
Total sur.	$3,049,099	$2,190,209
Pfd. arrears ...	393,750	......
P. and L. bal. ..	$2,655,349	$2,190,209

* Deficit.

Ten Years' Earnings—

Year	Earnings	Dividends	Surplus
1917 ..	$2,572,883	$	$2,840,063
1918 ..	4,617,390	262,500	5,830,172
1919 ..	2,993,471	656,250	7,061,557
1920 ..	1,515,712	656,250	6,243,603
1921 ..	1,188,853	2,100,000	3,251,207
1922 ..	209,266	......	2,664,574
1923 ..	2,430,188	525,000	3,567,147
1924 ..	1,928,312	787,500	3,903,869
1925 ..	256,388	918,750	2,655,349
1926 ..	714,825	525,000	2,190,209

Market Record—

	1924 H	1924 L	1925 H	1925 L	1926 H	1926 L
Com.	54	36¼	58	30	49	33
Pref.	97	83½	90¼	72¾	90¼	73
Bonds	102½	99	103	101	104⅝	100

Can. Steel Foundries

Capitalization—

	Authorized	Outstanding
Common	$3,000,000	$3,000,000
Preferred	2,000,000	1,400,000

Funded Debt—

Bonds, 6%, due 1936	5,000,000	1,453,770

Officers and Directors—
W. W. Butler, pres.; Hon. C. P. Beaubien, H. W. Beauclerk, W. F. Angus, vice-pres.; W. S. Atwood, vice-pres.; A. D. Neale, vice-pres.; V. M. Drury, Hon. L. C. Webster, A. Whyte, vice-pres. and treas.; A. C. Bourne, sec.; L. A. Peto, compt.

Montreal Steel

Capitalization—

	Authorized	Outstanding
Common	$ 950,000	$700,000
Preferred	1,050,000	800,000

7% non-cumulative. Preferred as to capital. All the stock is owned by Canadian Steel Foundries, and operations are carried on under their name.

Funded Debt—
First mortgage 6% bonds, due 1940, $488,500.

Northern Electric

Owned by Bell Telephone and Associate Companies — Earnings Satisfactory

Fifty per cent. of the stock of the Northern Electric Company is owned by the Bell Telephone Company and the remainder of the shares are owned by associated telephone and equipment companies. A substantial proportion of the Northern Electric's gross revenues are derived from sales to the Bell organization and the remainder of its revenues accrue from sales to other purchasers of electric equipment in the Dominion. The company has warehouses in all the important cities of the Dominion where electrical equipment is supplied. The company has an issue of bonds outstanding, but earnings are many times in excess of interest requirements.

Capitalization—

	Authorized	Outstanding
Capital stock	$10,000,000	$6,000,000
Par $100.		

Funded Debt—
First 5 per cent. sinking fund bonds, due 1939, outstanding $2,139,500.

Dividend Record—
Initial dividend of 7 per cent. was paid March 1, 1917; March 1, 1918, 7 per cent.; 1919, none; March 1, 1920, 3½ per cent.; 1¾ per cent. each quarter thereafter, including first quarter of 1921; none thereafter until 1923, when 7 per cent. was paid; 1924 and 1925, 8 per cent. regular and 2 per cent. extra.

Officers and Directors—
P. F. Sise, pres.; J. D. Hathaway, vice-pres.; Clement Say, sec. and treas.; L. B. McFarlane, A. J. Brown, R. H. McMaster, F. W. Molson, C. F. Sise, H. A. Halligan, C. G. Du Bois, H. F. Allbright, T. Ahearn.

Profit and Loss—

	1924	1925
Net earnings ...	$1,515,634	$1,724,123
Interest	193,315	203,406
Special reserve ..	50,000	250,000
Bal for div.	1,272,319	1,270,717
Dividends	600,000	600,000
Surp. for year ..	672,319	670,717
Earning rate	22.03%	25.34%

Canada Iron Foundries

Has Entered Pulp and Paper Field — Prices for Output Still Low

The Canada Iron Foundries, during the past year, has commenced making some equipment which is utilized in the pulp and paper field—a field which is growing and in which it seems reasonable to assume that the company will make some progress. While the company's output has shown an increase, prices are low, which makes for lower profits. It is understood that business since the close of the last fiscal year has been maintained at its former levels.

The company's plants are located at Three Rivers, Fort William, St. Thomas and Hamilton, Ont. The output consists of iron pipe, steel for railroad rolling stock and a general line of castings. The demand for a large portion of its output is irregular and the fluctuation in orders naturally tends to increase the overhead and is one of the reasons why the net earnings over the past five years have not been equal to the whole 6 per cent. preferred dividend requirements.

Capitalization—

	Authorized	Outstanding
6% non-cum. pf.	$4,500,000	$3,877,800
Common	1,800,000	1,598,800

Funded Debt—
6 per cent. first mortgage debenture stock, due 1939 .. $613,701

Dividend Record—
4 per cent. paid on preference in 1920; 4 per cent., 1921; none thereafter until Dec., 1923, when 2 per cent. was paid; 3 per cent. Jan., 1925; 4 per cent. Jan., 1926, and Jan., 1927. None paid on common.

Officers and Directors—
V. J. Hughes, pres.; C. L. Jobb, vice-pres.; F. Perry, chairman of board; T. McC. Hutchinson, J. T. McCall, F. B. Richards, M. J. McLean, sec.-treas.

Profit and Loss—

	1925	1926
Earnings	$350,209	$320,027
Int. and exchange .	76,333	82,705
	$426,542	$402,732
Depreciation	195,059	195,059
Deb. interest	64,491	59,899
Maintenance	9,891	8,950
Pref. dividend	155,112	155,122
Balance	$ 1,989	*$ 16,288
Prev. balance	19,153	21,142
Surplus	21,142	$ 4,854

* Debit.

Nine Years' Earnings —

Year	Earnings	Dividends	Surplus
1918	$617,358	$	$ 6,866
1919	589,043	......	166,356
1920	652,946	155,112	144,855
1921	300,842	155,112	55,522
1922	115,350	......	1,084
1923	348,518	77,556	2,846
1924	339,769	116,334	19,152
1925	350,209	155,112	21,142
1926	320,027	155,112	4,854

Market Record—

	1924 H	1924 L	1925 H	1925 L	1926 H	1926 L
Com.	8	48¾	8	8	12	8
Pref.	35	25¼	40	31	44	39

Dominion Radiator

Production Remains Fairly High Despite Slump in Building of Homes

Dominion Radiator & Boiler Co., was formed in May, 1923, to take over the Canadian business of the American Radiator Co., and the Dominion Radiator Co. The American company owns control and also a large block, of the preference shares. The 7 per cent. preferred stock is listed on the Toronto exchange.

The company operates plants at Brantford and Toronto.

Capitalization—

	Authorized	Outstanding
Common	$2,000,000	$ 600,000
Preferred	1,548,400	1,548,400
7% cumulative.		

Officers and Directors—
H. H. Leadbetter, pres.; C. M. Woolley, C. M. Parker, C. K. Foster, S. Barham, C. H. Hodges, C. Carpenter, F. J. Mullany, sec.; M. McGaw, asst. sec.; R. J. Beatty, treas.

Profit and Loss—

	1924	1925
Profits	$220,587	$158,255
Other income	19,259	66,572
Total income	$230,846	$224,827
Taxes	64,932	70,120
Depreciation	45,000	45,000
Bad accounts	5,131	....
Dividends	108,388	108,388
Surplus	$ 16,395	$ 1,319
Prev. surplus	572,036	588,431
Total surplus	$588,431	$589,750

Market Record—

	1924 H	1924 L	1925 H	1925 L	1926 H	1926 L
Pref.	103	94	102½	98½	103⅛	100¼

Anglin-Norcross

Has Finished Good Year — 1927 Outlook is Satisfactory

Judging from the contracts which Anglin-Norcross has already closed and several of the contracts which are pending, it appears that the year 1927 will provide a good volume of work for the company.

The year just closed proved satisfactory for Anglin-Norcross company, some of the larger contract being: The Arts building of McGill University, Trinity Memorial Church, Chateau St. Louis apartments, Quebec, Canadian National Railways roundhouse, Toronto, extension to Bishops Field College, St. John's, Newfoundland, and the re-building of the portion of the Chateau Frontenac which was destroyed by the fire.

Investment interest in the company centres only on its issue of preferred stock of which there is $312,000 outstanding. Interest on this issue is a first charge in earnings as there are no bonds outstanding.

The fortunes of the company move up or down according to the prevailing level of construction activity in the Dominion.

Capitalization—

	Authorized	Outstanding
Common	$1,000,000	$1,000,000
Preferred	1,000,000	312,000
7% cumulative.		

Dividend Record—
Dividends on preferred regularly paid semi-annually, about April and Oct. 15. No dividends on common.

Officers and Directors—
J. P. Anglin, pres.; H. J. Gross, vice-pres. and treas.; C. D. Harrington, vice-pres. and manager; G. A. Lowles, sec.; L. L. Evans, pur. agent; W. S. Leslie, A. O. Dawson, G. W. Birks.

Profit and Loss—
Year ending Feb. 28:

	1925	1926
Gross profits	$162,355	$124,231
Oper. exp. & deprec.	97,905	86,257
Net earnings	$ 64,450	$ 37,974
Est. income tax ..	7,395	3,966
Bal. for dividends .	$ 57,055	$ 34,008
Pref. dividends ...	21,840	21,840
Surplus for year ..	$ 35,215	$ 12,168

Earning Rate—

	1925	1926
% on common .	3.52	1.22
% on preferred .	18.29	10.90

Sherwin-Williams

Has No Bonds Outstanding, and Earnings Are Now Applicable to Stock Only — The Predominant Producer of Paint — Outlook Satisfactory

More or less recently, the Sherwin-Williams Company of Canada redeemed all the bond issues outstanding against its properties. The redemption involved the sum of around $1,700,000. Thus, for the future, earnings will be applicable only to its $3,435,000 of seven per cent. cumulative and $4,000,000 of common stock outstanding. The company's fiscal year ended August 31 last and it is understood that earnings are being maintained at the same satisfactory level which prevailed in 1926.

Sherwin-Williams is the predominant factor in the production of paint in Canada. Its brands are widely and favorably known throughout the Dominion and due to the size of its organization, it has been able to effect economies which have placed it in a very favorable position with regard to competition—a favorable position which is enhanced by the fact that as the largest manufacturer it obtains the large proportion of the total paint sales in this country.

The company manufactures and sells all its own products and practically all its purchases are confined to raw materials. One example of this is linseed oil which is not purchased but which is made in Sherwin-Williams' two linseed oil mills.

Dividends have been paid on the preferred stock without interruption since the company's inception. Dividens on the common stock were inaugurated in 1920, at which time the company had built up a surplus equal to almost $100 per share on its preferred stock. The management has always pursued a careful course, which has resulted in weaving considerable strength into the financial structure. It seems to be conceded that Sherwin-Wiliams will split up its stock; its present financial position would warrant that action now, but, on the other hand, the management's policy has always been a conservative one, and it may be some time yet before the company "cuts a melon."

Capitalization—

	Authorized	Outstanding
Pref. 7% cum. ..	$4,000,000	$3,435,000
Com. stock	4,000,000	4,000,000

Dividend Record—
Preferred 7%, payable regularly 1st January, April, July and October. Common 6%, payable same dates as preferred. First common dividend paid January 1, 1921.

Officers and Directors—
W. H. Cottingham, chairman; W. S. Fallis, pres. and mgr. dir.; Geo. A. Martin, W. J. White, K.C.; Robert C. Misson, W. S. Cottingham, W. C. Cottingham, asst. to pres.; D. A. Whittaker, vice-pres. and sec.-treas.; P. W. Hollingworth, asst. sec.-treas.

Profit and Loss—

	1925	1926
Earnings	$ 907,239	$ 982,933
Depreciation	133,850	201,737
Balance	$ 773,389	$ 781,196
Bond int.	119,997	108,867
Balance	$ 653,392	$ 672,329
To tax acct. ...	54,193	43,500
Balance	$ 599,199	$ 628,829
Pfd. divs.	240,275	240,450
Balance	$ 358,924	$ 388,379
Pension fund ..	7,197	6,939
Net earn.	$ 351,727	$ 381,440
Com. divs.	240,000	240,000
Balance	$ 111,727	$ 141,440
Prev. surp.	4,008,036	3,919,762
Balance	$4,119,763	$4,061,202
Spec. deprec. ...	200,000	....
Prem. on bonds	....	153,970
P. & L. bal.	$3,919,763	$3,907,231

Earning Rate—

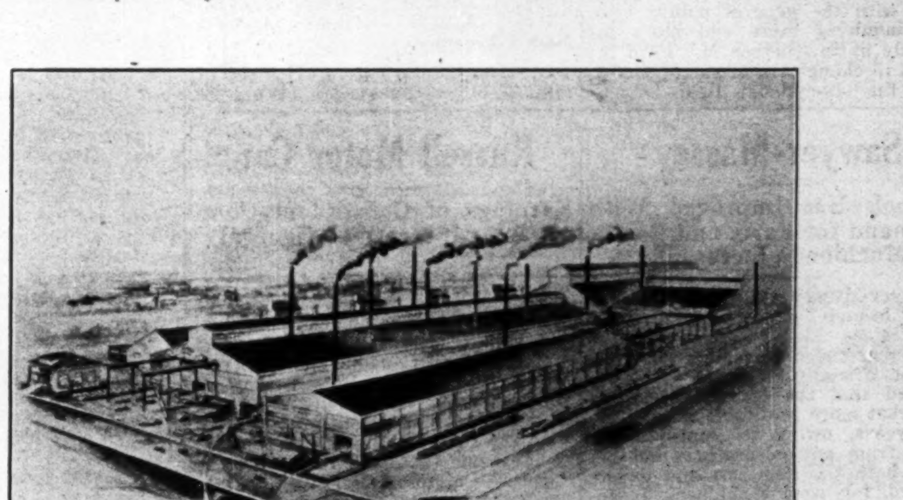
	1925	1926
% on common .	8.80	9.53
% on preferred	17.23	18.10

Nine Years' Earanings—

Year	Earnings	Dividends	Surplus
1918 ...	$1,612,951	$232,505	$2,333,282
1919 ...	990,070	239,750	2,684,051
1920 ...	1,281,338	239,750	3,417,961
1921 ...	265,021	419,750	3,420,150
1922 ...	952,634	479,750	3,628,323
1923 ...	1,073,607	479,750	3,919,001
1924 ...	968,115	479,750	4,008,039
1925 ...	907,239	480,275	3,919,763
1926 ...	982,933	480,450	3,907,231

Market Record—

	1924 H	1924 L	1925 H	1925 L	1926 H	1926 L
Com.	129	100	135	115	148½	125
Pref.	106½	98½	115	104¾	120½	110½



FORGING CRAFTSMEN

Forgings of all types and sizes
Industrial—Marine—Railway

Crusher Balls and Liner Plates
(Endurance Brand)

CANADA FOUNDRIES and FORGINGS
LIMITED

Canada Forge Plant
Welland, Ont.

Drop Forge Plant
Welland, Ont.

Ford of Canada

Last Report Considered Somewhat Disappointing and Shares Decline But Continued Success is Hardly Doubted

Owing to the change in the fiscal year to correspond with the calendar year, the latest report of Ford Motor Co. of Canada is for the final five months of 1925.

Total sales for the five-month period and other income amounted to $16,194,141, an increase of $5,133,680 over the corresponding period of 1924. Output for the five months was 26,885 cars and 2,298 tractors, being increases of 8,423 cars and 838 tractors. These include sales of affiliated companies in Australia and South Africa.

Assets at the end of 1925 were given as $42,243,697, of which more than $22,000,000 was in plant and equipment, $5,866,000 was paid-up capital in affiliated companies, $7,272,000 by inventories at cost and not more than market value, $4,399,163 by accounts receivable and $2,269,000 cash.

Dividend 10 Per Cent.

Ford of Canada is capitalized at $7,000,000. Reserves total $7,879,999. The surplus at the end of 1925 totaled $24,275,530. Of the $974,316 profits, $700,000 was paid out in dividends at the rate of 10 per cent. of the paid-up capital.

The report for 1926 is awaited with unusual interest. The stock, which is traded on the New York curb and the Toronto and Montreal exchanges, has experienced a drop of nearly 300 points from a high of $655 the share. It is now selling at above $400.

Changes in the tariff last spring came at about the time the report for five months was made public. Marketwise, the report was considered disappointing and the shares dropped rapidly in price. The company was operating part time in certain periods, but latterly working time was increased from four to five days per week. It was stated late in 1926, however, that production had been 3,000 cars greater than in 1925 and that the year, as a whole, had been satisfactory.

Will Model "T" Remain

As Ford of Canada is the only Ford company in which there is a public investment interest, the affairs of this company, from a market viewpoint, are watched closely. The principal causes for the big decline in the price of the shares traded is the reduction in the tariff on cars of less than $1,200 from 35 per cent. to 20 per cent. It had been the custom to maintain the price of Canadian Fords at about the United States retail price plus the duty and other charges. It was a source of lowered margin of profit, argued the market, which could not be made up unless there was a material increase in the production and sale of cars. Production of the Detroit and Canadian companies has continued to increase, but some other manufacturers in recent years have increased their production more rapidly. Investors in Ford of Canada, along with the general public, have been inquiring more and more insistently as to whether Mr. Ford intended to change the standard model, enter the six-cylinder field or materially reduce the price on the present model, or take some other step to maintain the lead which so long has been his.

Export business to the British dominions has not been affected by the tariff. This business amounts to from 20 to 25 per cent. of the production of the Canadian plant.

Success Will Continue

Ford of Canada was incorporated in 1904 and reincorporated as a Dominion company in 1911. The original organization was to manufacture automobiles for Canada and all other British countries except England, Ireland and Scotland. The original investment of $125,000 has grown through stock dividends to $7,000,000 without the putting in of further cash, and the difference between the capitalization and the value of plant and other tangibles, against which there are no bond issues or other charges, roughly represents the extent to which this company is undercapitalized.

There is hardly any question that Ford of Canada will continue to show substantial earnings. There always will be a demand for cheap and efficient automobiles, especially in Canada, but whether earnings again will reach the high points of other years is a question which time alone can answer.

Capitalization—

	Authorized	Outstanding
Common	$10,000,000	$7,000,000

Par value, $100.

Funded Debt—

None.

Dividends have been paid as follows: 1905, 6%; 1908, 10%; 1909, 25%; 1910 100%; 1911, 100% and 500% in stock; 1912, 20% and 33-1/3% in stock; 1914, 10%; 1915, 110%; 1916, 600% in stock; 1917, 5%; 1918, 5%; 1919, 35%; 1920, 15%; 1921 and 1922, 30%; 1923, 15%; 1924, 10%; 1925, 20%; 1926, 10%.

Officers and Directors—

Henry Ford, pres.; Edsel B. Ford, 2nd vice-pres.; W. R. Campbell, 1st vice-Pres. and treas.; Geo. E. Dickert, 3rd vice-pres.; E. C. Kanzler, P. W. Grandjean, sec. and asst. treas.

Profit and Loss—

Year end. July 31:	1925	1924
*Gross profits ..	$ 6,132,327	$ 3,719,188
Income tax adjust.	975	3,497
Net profits ...	$ 6,131,352	$ 3,715,691
Bal. forward ..	19,609,861	16,594,170
	$25,741,213	$20,309,861
Dividends	1,400,000	700,000
	$24,341,213	$19,609,861
Contingency res.	340,000	....
Surplus	$24,001,213	$19,609,861

* After all expenses, including depreciation and taxes.

Earning rate—

	1925	1924
	82.73%	53.07%

Five Years' Earnings—

Year	Earnings	Dividends	Surplus
1921	$2,368,407	$1,050,000	$ 9,518,934
1922	5,139,665	2,100,000	12,537,972
1923	5,106,198	1,050,000	16,594,170
1924	3,719,188	700,000	19,609,861
1925	6,132,327	1,400,000	24,001,213

Market Record—

	1924 H	1924 L	1925 H	1925 L	1926 H	1926 L
Stock	485	440	512	488	622	500

Sawyer-Massey

Outlook Has Improved With Demand for Farm and Road Machinery Increasing

Sawyer-Massey Co., Hamilton, has been through some very difficult times since 1914. Results for the fiscal year ended November 30, 1926, are not officially known as yet. It is believed that the trading has been somewhat more profitable than in recent years, owing to improved demand from agriculturalists and because both the domestic and export demand for road machinery is increasing.

With the preferred dividend now 84 per cent. in arrears, it was rumored nearly a year ago that a plan looking to a reorganization of the financial structure would be placed before the shareholders. Apparently, however, something occurred to delay the proposal. There is now no market for the common and occasional sales of the preferred in 1926 fixed the market value of the preferred at $5 the share.

The manufacturing site at Hamilton is a valuable one, being adjacent to both the Canadian National and Canadian Pacific Railways. All the buildings have been reconstructed in the last few years and are well equipped to care for the business of the company. The company maintains branch offices at Winnipeg, Regina, Saskatoon, Calgary and Edmonton.

Capitalization—

	Authorized	Outstanding
Common	$3,500,000	$1,500,000
Preferred	3,500,000	1,500,000

Funded Debt—

First mortgage 6% bonds, due 1927	1,500,000	168,400

Dividend Record—

Preferred 7% per annum, and deferred for quarter beginning June 1, 1914, and since, making 87½% arrears as at Dec. 31, 1926.

Officers and Directors—

T. B. Christie, pres. and treas.; H. Aird, vice-pres.; Cyrus A. Birge,, C. S. Wilcox, A. Hutchinson, D. B. Dewar, H. A. Clark, D'Arcy Martin, K.C.; T. A. Hunt, K.C.; H. R. Gillard, sec.

Profit and Loss—

	1924	1925
Loss for year	$ 61,840	$ 87,151
Bond interest	14,409	11,358
Bond expense	4,284	4,318
Exp. prev. year ..	534	.....
Stock writ. off	6,063	2,086
Prof. and loss deb.	$ 87,130	$104,913
Prov. for shrinkage in accts. receivable	17,036	84,747
Debit bal. forward	652,165	756,332
Total deficit	$756,332	$945,993

Russell Motor Car

Earnings of Constituent Companies Increase — General Outlook Improves

Russell Motor Car Co. is in the nature of a holding company for Willys-Overland (Canada), Canada Cycle & Motor Co. and Canadian Acme Screw & Gear Co. The last named company was created in 1924 when the Russell Gear & Machine Co. was amalgamated with the Canadian branch of the National Acme Co. of Cleveland, O.

Russell Motor Car Co. came into existence in 1911, with provision for the cycle end of the business to be carried on under the name of the Canada Cycle & Motor Co. The capitalization of $2,000,000 of the parent company compares favorably with the assets of well over $3,000,000. Nothing is carried on the books for goodwill.

The annual report of the company for the year ended last July 31, showed earnings of $118,701, being a slight increase over the previous year and earnings since then have been on a satisfactory basis, it is reported. A better showing would have been made in the last fiscal year if the final quarter, which normally is the best in the automobile business, had not been unsettled by the changes in the tariff as they were announced when the budget was first brought down. However, President T. A. Russell remarked in his address to shareholders that later amendments to the budget had materially corrected the potential harm of the original proposals and he anticipated that earnings for the following fiscal year would be satisfactory.

The Canadian Acme Co., which is seven-eighths owned by the Russell Co. manufactures screws, nuts, gears, and does general machine work. In common with other companies, manufacturing parts for automobiles, the later changes in the tariff are believed to have been especially beneficial.

Russell Motor Car's holdings of Willys-Overland total $800,000 of the $3,000,000 issued stock. The business of this company is favorable. Two models of the Overland car have been especially popular with the public in the last year and the announcement of a new model of the whippet type is attracting attention. The Willys-Knight sales in this country also have grown during the year.

An increase in the demand for cycles and children's vehicles of all descriptions has been beneficial to the Canada Cycle & Motor Co.

Capitalization—

	Authorized	Outstanding
Common	$ 800,000	$ 800,000
Pref. 7% cuc. ..	1,200,000	1,200,000

Dividend Record—

Preferred paid quarterly, 29¾ per cent. paid Nov., 1917, in full of all arrears. Common 7 per cent. paid from Aug., 1911, to Feb., 1913, inclusive; 7 per cent. paid Nov. 1, 1917; 7 per cent. Aug., 1918 and 1919. Reduced to 1 per cent. Jan., 1922. None paid until Aug., 1922, 1¼ per cent. Next paid 3 per cent. Aug. 2, 1926, for year ended July 31, 1926; 1¼ per cent. for 5 months declared payable Feb. 1, 1927.

Officers and Directors—

T. A. Russell, pres. and gen. mgr.; A. E. Ames, vice-pres.; E. B. Ryckman, J. N. Shenstone, H. D. Scully, J. W. Gibson, J. W. Widdup, G. W. Suggitt, sec.

Profit and Loss—

Year end, July 31:	1925	1926
Profits	$115,504	$118,701
Pref. dividends ...	84,000	84,000
Com. dividends ...	......	24,000
Surplus	$ 31,504	$ 10,701
Previous surplus ...	448,533	520,037
Total surplus	$520,037	$530,738

Earning Rate—

	1925	1926
Per cent. on com.	3.94	4.34
Per cent. on pref. .	9.62	9.89

Nine Years' Earnings—

Year	Earnings	Dividends	Surplus
1918 ...	$628,581	$140,000	$ 536,162
1919 ...	457,878	140,000	854,040
1920 ...	339,453	140,000	1,053,494
1921 ...	158,124	140,000	1,071,618
1922 ...	117,499	116,000	473,118
1923 ...	90,551	84,000	479,669
1924 ...	92,864	84,000	488,533
1925 ...	115,504	84,000	520,037
1926 ...	118,701	108,000	530,738

Market Record—

	1924 H	1924 L	1925 H	1925 L	1926 H	1926 L
Com.	35	17½	44½	24	50	39
Pref.	80	48	88	74¼	93	76

Market Record—

	1924 H	1924 L	1925 H	1925 L	1926 H	1926 L
Com.	..	..	1	1	..	..
Pref.	..	..	20⅞	5	13	5

Five Years' Earnings—

Year	Earnings	Dividends	†Surplus
1921 ...	$133,037	$	$342,992
1922 ...	19,155	......	480,119
1923 ...	*70,983	......	652,165
1924 ...	*61,840	......	756,332
1925 ...	*87,151	......	945,993

* Loss. † Debit.

Willys-Overland

Newer Models Catch Public Fancy — Sales Continue in Good Volume

Willys-Overland, Toronto, in the last two or three years has been successful in the manufacture and marketing of automobiles. Newer models have caught the public fancy and sales have been highly gratifying. Profits accrue jointly to the Russell Motor Car Co., and the J. N. Willys Co. of Toledo, O.

Capitalization—

	Authorized	Outstanding
Ordinary shs. ..	$3,000,000	$3,000,000

(During 1923 the former issue of $3,000,000 authorized ordinary stock, of which $1,000,000 was outstanding, was cancelled. $1,000,000 7% cumulative convertible preference, class "A," and $2,000,000. 7% cumulative convertible preference, class "B," all outstanding, were converted into the present issue of $3,000,000 ordinary stock, with the exception of 50 shares which had not been converted up to Feb. 1, 1925.)

Officers and Directors—

John N. Willys, chairman of board; T. A. Russell, pres. and gen. mgr.; L. A. Miller, vice-pres.; J. H. Gerkens, treas.; W. P. McQueen, sec.; A. E. Ames, H. J. Leonard, Gordon Mather.

Canadian Tube

Capitalization—

	Authorized	Outstanding
Common	$3,500,000	$1,600,000
Preferred	1,500,000	1,500,000

7 per cent. cumulative, par $100. Stock is closely held.

Funded Debt—

Canadian Tube and Iron Co., 6 per cent. bonds, due 1932, $146,000; Canadian Rolling Mills Co., 6 per cent. bonds due 1933, $123,000; Colonial Wire Mfg. Co., 6 per cent. bonds, due 1933, $47,500.

Officers and Directors—

James L. Waldie, pres. and man. dir.; A. H. Hough, vice-pres. and sales mgr.; H. Worrall, sec.; P. B. Nash, treas.; C. Thomson, works mgr.; M. L. Hersey, J. C. Hodgson, H. T. Vaughan, J. W. Ross, G. Hunter, Lorne C. Webster, S. Brock.

Canadian Westinghouse

Earnings for 1926 Expected to be in Excess of Those for Previous Year

The general improvement in business and the increasing development of all industry using electrical equipment probably will be reflected in the earnings of Canadian Westinghouse Co., statement of which will be available in March. More than 90 per cent. of the sales of this company represent capital expenditure on the part of the purchasers, so that operations are susceptible to national growth to an unusual degree.

Earnings for the fiscal year 1926 are expected to be somewhat in advance of 1925, when net profits of $1,077,386 were reported. The company has been on a 10 per cent. dividend basis for a number of years and it is believed that this rate can be maintained easily on the existing capitalization.

The Canadian Westinghouse Co. was incorporated in 1903, taking over the various interests in Canada of the Westinghouse Airbrake Co., the Westinghouse Electric & Manufacturing Co. and the affiliated organizations, including the plant and factory of the Westinghouse Manufacturing Co. at Hamilton.

The Hamilton works are modern in every respect and are excellently maintained. The company adheres closely to the policy of maufacturing electrical equipment only, along with its original product, airbrakes.

In recent years it has become more widely advertised among the general public by the manufacture and marketing of nearly all varieties of household electrical equipment such as ranges, heaters, toasters, etc.

Capitalization—

	Authorized	Outstanding
Stock	$10,000,000	$7,432,900

No funded debt.

Dividend Record—

Dividends payable quarterly, Jan., Apr., July and Oct., 1905-1909, 6 per cent. 1910, 6 plus 1 per cent.; 1911, 6 plus 2 per cent.; 1912 and 1913, 7 plus 2 per cent.; 1914, 7 per cent.; 1915, 9 per cent.; 1916, 7 plus 3 per cent.; Mar. 1917, 25 per cent. out of accumulated profits for twelve years; 1917, 7 plus 1 per cent.; 1918, 7 plus 2 per cent.; 1919, 7 plus 1 per cent.; 1920, 7 plus 2 per cent.; 1921, 8 plus 2 per cent.; 1922, 8 per cent.; 1923, 1924, 1925 and 1926, 8 plus 2 per cent.

Officers and Directors—

H. H. Westinghouse, chairman; Paul J. Myler, pres.; L. A. Osborne, vice-pres.; F. A. Merrick, vice-pres.; N. S. Braden, vice-pres.; T. Ahearn, Sir J. M. Gibson, J. F. Miller, Gen. G. E. Tripp, C. A. Terry, H. U. Hart, gen. mgr. and chief engineer; W. E. Spraggue, sec.-treas.; G. R. Kerr, treas.; G. H. O. Pook, mgr. of works; H. M. Bostwick, manager of sales.

Profit and Loss—

	1924	1925
Earnings	$2,501,758	$2,466,956
Expenses, etc .	1,023,303	1,069,755
	1,478,455	1,397,201
Fr. int. on bonds	17,997	16,293
From bank int.	44,917	59,893
	1,541,369	1,473,387
Depreciation ..	246,000	245,000
Taxes	136,000	131,000
Pension fund ..	20,000	20,000
Net earnings ..	1,139,369	1,077,387
Dividends	743,290	743,290
	396,079	334,097
Bal. forward ..	2,891,364	3,287,444
Balance	$3,287,443	$3,621,541

Rate of Earnings—

	1924	1925
Per cent. on stock	15.32	14.49

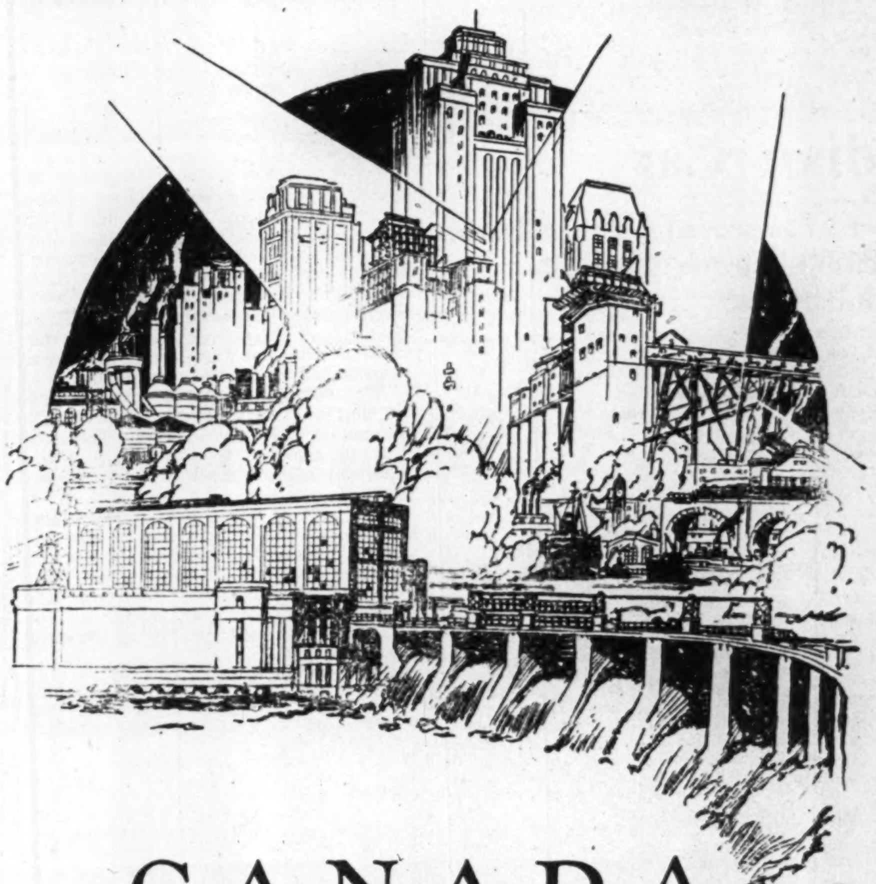
Eight Years' Earnings—

Year	Earnings	Dividends	Surplus
1918 ..	$1,622,049	$560,646	$1,711,688
1919 ..	1,416,206	498,352	1,814,272
1920 ..	2,020,516	615,525	2,114,827
1921 ..	2,236,936	741,790	2,464,417
1922 ..	1,776,154	593,932	2,612,681
1923 ..	2,208,883	742,790	2,891,364
1924 ..	2,501,758	743,290	3,287,443
1925 ..	2,466,956	743,290	3,621,541

Imports Keep Prices Down

While the greater tonnages indicated some general improvement in the iron and steel business in Canada in 1926, the returns to the industry were restricted by the lower prices prevailing during the year. Imports of European steel into the Maritime Provinces and foreign iron into the eastern United States, both at low valuations, tended to keep prices down.

ACHIEVEMENT



CANADA

1867 - 1927

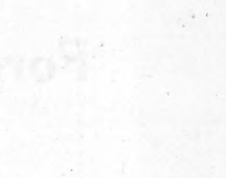
A RECORD of achievement is the heritage of every Canadian in this year of the Diamond Jubilee of Confederation. Canada has justified the faith and the vision of her early settlers. In 1867 opportunity and adventure beckoned men of imagination, of energy, of enterprise.

Today, the opportunity is even greater; the rewards of faith and endeavour more certain and far-reaching.

The Northern Electric Company, in sympathy with the spirit of ambition and adventure that lures young Canadians to other lands, will outline, during 1927, the resources of the various Provinces which offer opportunities at home greater than any to be found beyond the borders of united Canada . . . a treasure-house unsurpassed by any country in the world.

That outline of the potentialities of Canada today, published for the pride of Canadians everywhere, will form part of the service of the Northern Electric Company to the Dominion of Canada in the nation-wide task of development entrusted to this generation by the founders of the nation.

We are glad to have had a part in the making of greater Canada and for the opportunity to serve the people and to do our part to uphold the national ideals.



Information

In subsequent months, the resources of the various Provinces will form the subjects of Northern Electric announcements which will carry the story of Canada to every home in the Dominion during 1927.

Northern Electric
COMPANY LIMITED
Equipment for transmitting Sound and Power

222

Canadian Mining News

THE FINANCIAL POST

Vol. XXI. PUBLICATION OFFICE: TORONTO, JANUARY 28, 1927 No. 4

SMELTERS' OUTPUT NEAR FIVE MILLIONS HIGHER LAST YEAR

Estimated That Production Reached Huge Total of $37,223,000

BASE METALS SAG

Copper Became an Important Factor During the Year's Operation

1926, estimated	$37,223,235
1925	32,667,731
1924	20,854,854
1923	11,402,004
1922	9,104,080
1921	6,836,420

The above figures indicate the expansion of Consolidated Mining and Smelting production of 1926. They also show the tremendous growth of operations since 1921.

The remarkable 1921 total was achieved in the face of declines in the prices of lead, zinc, silver and copper, and reflects an increase in volume of production of all the metals produced at Trail, including gold. Prices, though lower, are still, however, at a favorable level.

A year ago the production estimate was conservative, as events proved, the $29,973,453 estimated by The Daily News appreciating to $32,667,731 when the corrected figures for production and prices became available in the company's annual report.

The current figures have been worked out by the Nelson Daily News from estimates on volume provided it on request, and with the assistance of market quotations that are public property, and, in the case of lead and zinc, of the rate of exchange.

Increased tonnage from the company's Sullivan mine at Kimberley no doubt accounts for the increase in the lead, zinc and silver production, while the operation of one copper furnace throughout the year on concentrates from Allenby, of custom ore from Copper Mountain, brought copper once more into tonnage of importance and ran up the gold figures as well.

Copper a Feature

A jump in copper production, from under 1,000,000 pounds, to 21,000,000, is the principal feature of the table, though zinc, with a gain of 25,000,000 pounds, really led the procession of output gains. With both these metals, the gain in output value was very substantial. In the case of lead, however, which had to contend with the largest proportionate decline in price, and had the least proportionate gain in volume, though such increase really amounted to millions of tons, the gain in total value was but slight.

As to prices, lead, which in 1925 averaged £36,429, taking the figure from the Consolidated's annual report, has averaged the past year a shade over £31. Zinc declined less drastically, from £36,624 per ton, to a little over £34, London price. The copper decline could be described as fractional, from 14.02 cents per pound to about 13.75. Silver, after its rise in 1925 to 69.065 cents per pound, considerably more than lost its gain, sliding down to a fraction over 62 cents on the past year as a whole.

The following table shows the comparative outputs and values of the five metals for the past two years, the 1925 figures being worked out from the data in the last annual report, while the current figures have been arrived at as described:

	1926 Output	Value
Gold, ozs.	50,000	$ 1,000,000
Silver, ozs.	6,846,000	4,251,239
Copper, lbs.	21,760,000	3,002,662
Lead, lbs.	248,800,000	18,768,723
Zinc, lbs.	123,200,000	10,200,611
		$37,223,235
	1925	
Gold, ozs.	20,516	$ 410,320
Silver, ozs.	4,704,635	2,778,792
Copper, lbs.	366,439	51,455
Lead, lbs.	236,079,266	20,769,310
Zinc, lbs.	97,910,147	8,657,854
		$32,667,731

ONLY 10% OF ORDERS FILLED

It is stated that about 10 per cent. of the orders for Potter-Doal stock were filled, so heavily was the issue of 200,000 shares, to provide funds for exploratory work, over-subscribed.

$12,000,000 Worth of B.C. Ore Was Shipped to U.S. Smelter in 1926

What British Columbia mining does for Tacoma, Wash., is seen by the fact that in 1926, $12,000,000 worth of B. C. ore entered that port. This was put forth at the meeting of the B. C. Chamber of Mines recently by Henry Browning as evidencing the need of a smelter on the B. C. coast so that the treatment of this ore might be carried out in Canada.

SOAPSTONE MINING HAS POSSIBILITIES FOR THE DOMINION

Growth of Pulp and Paper Industry Has Set up Excellent Market

Canadian sulphate pulp mills are estimated to use in the neighborhood of 2,500 tons of soapstone per year. This stone is employed in the form of sawn blocks and bricks for building the furnaces used in recovery of the alkali or black liquor from the digesters, and is the only natural product known that will satisfactorily resist the action of the molten alkali. Since the recovery of such alkali is of great import in kraft mill practice, it follows that soapstone is a very important material to the pulp mill operators. Prior to 1922, little attention had been directed toward developing a domestic supply of soapstone, and the requirements of the mills were met entirely by imported stone, most of which came from the United States. In 1922, the mines branch in a published report (Memorandum Series, No. 4) drew attention to what appeared to be a promising deposit of soapstone in the Lake of the Woods region in Western Ontario. Following this, two companies were formed to exploit soapstone in this region, but these have not so far commenced operations. A third company, however started work in 1924 in the same district and has opened a small quarry and installed a sawing plant to cut soapstone blocks and bricks.

Operations in Quebec

In the Province of Quebec, however, the most active development has been undertaken, operations here having been helped by the fact that many of the largest kraft mills are situated in the province, within a relatively short rail haul from the deposits. Production has in the main, been, confined so far to a single operator, the Robertsonville Soapstone Quarry Company which has opened up a number of small quarries in the eastern portion of the serpentine belt, with which are associated the principal asbestos mines. Small, portable sawing units, driven by individual gasoline engines, are used to cut the stone into blocks and bricks of the dimensions specified by the mills. Most of the quarries opened by the company in its initial stages have now been abandoned, and work is at present confined to a single quarry, where the stone has been found to be of superior quality to that hitherto worked. It is the intention of the company to install permanent equipment at this point, and to undertake operations on a larger scale, with a view to taking care of the entire soapstone requirements of Eastern Canada. It is also proposed to grind the quarry waste, making products suited to the roofing and foundry trades.

Growth Quite Rapid

Starting with an initial production of 167 tons in 1922, the industry had grown to 768 tons in 1925, with the probability that 1926 will show a still further increase. The greater proportion of the output hitherto has come from the Province of Quebec.

While a certain amount of soapstone continues to be imported from the United States and from Scandinavian countries, it is gratifying to note that Canada seems now well on the way to filling her requirements in respect of this material from within her own borders.

A report dealing with the Canadian talc and soapstone industry (Mines Branch Report No. 583) was published in 1922: copies may be obtained by application to the director, Mines Branch Ottawa.

Red Lake Coming Back Because of Resumption of Work on Howey Mine

Successful Financing by Jack Hammell Has Awakened New Interest — Prospectors Going in Again Looking for Claims

The successful private financing of the Howey property in Red Lake has reawakened a keen interest in that camp again. For the past few months Red Lake and its great rush over the snow has been forgotten. Especially was this true since Dome in the late summer dropped its option on the Howey. However, the Hammell financing coup has been a great factor in restoring faith and the spring will see much work being done.

Reports from the north are that a great many are going into the Red, Woman and Narrow Lake sections. The aeroplane service is said to be running steadily with full loads in all the time.

Numerous prospectors are among those who are going in. They are going over the ground to look for likely looking claims that have come open and are again available for staking.

Work on cutting a road from Red Lake to Woman Lake will make it possible to get the diamond drills into Woman Lake for work on the Jackson-Manion group, optioned by the Timmins interest. It is understood that the Timmins people have also taken up the Henry group, which is a little south and west of the original stakings in the camp. In addition there is the Bathurst property and other important finds at Narrow Lake which will soon be active.

Watch Tests of U.S.A. Low Grade Ores

Canada Much Interested in Experiments of Minnesota University

HIGH GRADE FALLING

Available Tonnage Dwindles and Great Ranges of Canada May Come to Front

University of Minnesota is carrying on interesting experiments on low grade iron ores. These efforts are important for Canada and Ontario in particular, because of the tremendous ranges of low grade iron ore that are known to exist in various parts of the country.

The experiments are being made with a new process.

It consists in crushing the low grade ores rather finely, mixing them with pulverized fuel of some kind, and exposing the mixture to a heat of 1,000 degrees centigrade, or 1,832 Fahrenheit. This is said to leave a mixture of metallic iron combined with about 20 per cent. impurities, which is treated in a reverberatory furnace, which separates the iron from the slag.

There are several themes for speculation suggested by this proposal and by the serious work that is being undertaken in the university laboratories to work out a successful method of treating the ores.

High Grade Declining

In the first place it suggests that there is a present realization that the high grade ores of Minnesota, upon which the furnaces of the eastern states have been depending for their ore supply, are approaching the point of exhaustion. It will then be found necessary to seek other supplies of high-grade ore or to find means for the development of the low-grade ores. It is apparently to the latter course that the iron men of the United States are pinning their faith.

The next fact that is suggested is that the development of a process such as is described might result in changing the iron map of the United States and placing the furnaces at the head of the lakes, in Minnesota, instead of in Pennsylvannia. Among the fuels that have been tried in the laboratory experiments is charred lignite, from the lignite fields of North Dakota. This should be a cheap fuel and could be brought in to Duluth, or some other strategic point for the furnaces, with little expense.

To those who have been prospecting for iron at the head of the lakes on the Canadian side of the line the new scheme for handling United States ores cannot but be of interest. It should have the effect of provoking more attention to the possibilities of finding high-grade iron on this side of the line.

Early Exhaustion

It is the possibility of the early exhaustion of the United States ranges that has caused this strenuous experimentation with the low-grade ores. Were there a supply of the high-grade ore available, it is certain that these efforts to use the inferior ores would be postponed for another span of years. It is generally believed that there exists on this side of the international boundary a supply of high-grade hematite similar to that of the Mesabi range. In spite of this belief, there has not been sufficient exploratory work done to prove the assertion. The valley of the Whitefish River is cited as one of the places where such an iron range might be found, while early explorers have stated that similar iron is to be found on Hunter's Island. In spite, however, of wild assertions as to the iron resources of this country, it must be admitted that, up to the present time, there has been no proof offered, which a company would accept, as to the commercial value of the hematite iron deposits that are known to exist in this side of the line.

How About Canada?

If it be worth while for the scientists of the University of Minnesota to spend nearly $70,000 in conducting experiments in order to discover whether they can evolve a process for using their low-grade ores, it should be worth while for some one in Canada to spend some money in making a thorough test of the high-grade ores on this side, suggests Fort William Times-Journal, Which serves an area which is greatly interested in the subject. If such high-grade ores exist in commercial quantities, Canadian ore may come into its own in a very few years. If, however, prospecting here be neglected and the new processes outlined above be evolved successfully, later discoveries of ore in Canada will be met with the competition of the low-grade Minnesota ores, and of the vested interests which will have been created to handle them. The time for us to act is now, before the total exhaustion of the present ranges of Minnesota and before the development of a successful substitute for the ore that they have been producing.

Yet an Experiment

The new process is as yet an experiment. There is considerable difference between laboratory tests at a university and the production of iron on a commercial basis on a large scale. It is possible that this plan may prove as unsuccessful as the beneficiating process at the Babbit plant, which it was designed to replace. If, however, it should prove unsuccessful then it is still of interest to us on this side of the line, where billions of tons of low-grade iron ore are known to exist. If there is a doubt as to the existence of high-grade hematite here, there is no doubt as to existence of the low-grade magnetites. The lignite beds of Estevan are as close to us as the lignite beds of North Dakota are to Duluth. The same conditions prevail here as on the Minnesota side of the line. There is no need for us to leave all the enterprise and all the profit of the iron business to our southern neighbors.

The shifting of the center of the iron smelting business from Pennsylvania to the Great Lakes presents another feature of interest. If Duluth hopes to become the hub of the iron smelting industry of the United States, there is no reason, if that city's arguments are sound, why Fort William should not be the hub of the iron smelting industry of Canada.

Portland Canal to Provide Many Rivals of Premier

Jno. P. Kendall, Toronto, with considerable practical mining experience in Portland Canal, B. C., area, has just come out of that camp with the opinion that soon the camp will boast of several mines that will rival the Premier. He is much taken with the group to the north of the Premier, especially Extenuate, a Grant Mayhood enterprise in which he has become interested.

Paymaster's New Shaft to be Largest in North

The largest capacity shaft in the north country is being driven up from the 400-ft level of Porcupine Paymaster Mines, Porcupine. It is a four compartment. It is expected that the shaft will be ready in another month. Work on the mill expansion which includes a large concentrating plant to handle about 1,200 tons daily, is going ahead.

DRAPER DOBIE & CO.
Members Standard Stock Exchange
NORTHERN ONTARIO BLDG.
Phone Adel. 2324 TORONTO

Royalite Oil Well Production Soars During the Winter

Royalite No. 4 oil well, Turner Valley, Alberta, produced 193,723 barrels of naphtha during 1926 as compared with 168,722 barrels in 1925. The 1926 figures by months follow:

Month	Bbls. Prod.
January	19,978
February	15,621
March	16,076
April	16,008
May	15,728
June	14,875
July	14,822
August	14,580
September	16,151
October	15,618
November	15,860
December	18,406
Total	193,723

Plans to Put $52,000 More Into McIntyre

I noticed some reference to rumors going about in regard to McIntyre. Are they hurtful? I was thinking of taking on 2,000 shares and, as I have considerable of it now, I do not wish to get in the wrong spot if I can avoid it.

Our first thought on reading the above letter, was that unless the writer had a well diversified mining holding, he would be ill advised to put an additional $52,000 into one mine. To check this opinion, the advice of some shrewd investors and market students was asked and the views of the writer found support.

The best opinion seemed to be that no matter how sound a venture was considered, it was always good business to distribute holdings and this is particularly true of mining. McIntyre is to be regarded as one of the best buys on the mining market. The rumors referred to, were in regard splitting up the stock. It is very doubtful if at the moment the directors would consider such action though it may have been talked of. The day may not be far distant, however, when it will be policy to make such a move to reduce the market price and make the shares attractive to a wider body of investors.

In regard placing such a large amount in the market, the writer feels that one who is able to place such a sum in the market, could afford to also take on some of the good looking things that are coming up, in addition to perhaps some more McIntyre, some Hollinger, Lake Shore, Teck Hughes, Wright-Hargreaves and Noranda. Castle might be considered. The silver situation will ultimately right itself and when it does the Castle operation will be very attractive. Pioneer is building on sound lines. The company's Michipicoten operation is on a sound basis and the company has big possibilities in Gaspe. Harvie Mining has a good background and is based on sound lines and will give an excellent run. These issues are more speculative than McIntyre, but in addition to having a distributed holding of the good issues, such a holder might well take on some of the sound ventures that are looking well. Howey might also be considered for a small block.

Avoid Repetition of Area Market Fiasco

It is officially reported that Duprat Mines have signed a contract for the diamond drilling of their properties. Engineer J. Houston has returned to Rouyn to superintend the drilling operations. This drilling campaign is undertaken as a result of the electrical survey, and is to commence on the north group of the company's properties first. No definite statement on the electrical survey has been made by the directors. It is understood that the reason is that they wish to avoid the unfavorable publicity such as developed regarding the survey conducted on the Area properties. They feel that the property should be tested out at depth by means of the diamond drill before any news should be given out. Duprat Mines treasury has better than $100,000 in cash on hand, together with other additional properties in Montbray Township.

GREATER KIRKLAND FACES BUSY YEAR; MANY NEW MINES

Boston Creek, East Kirkland, Munro Sections Will be Busy

OUTLOOK EXCELLENT

Copper Finds Extending to the Quebec Boundary Arouse Much Interest

One of the principal winter pastimes of mining writers, when exploration work is somewhat limited, is to picture the great activity that looms on the horizon of spring. Each year the story seems to get better because each year the outlook is greater.

The approaching spring seems no exception. There are already indications of numerous new activities over a widely scattered area. One of the important sections in this regard is what might be termed the greater Kirkland section. This would include Boston Creek, the eastern part of Kirkland Lake Munro Tp., Seskinika, Kenogami and Bennett in Maisonville.

Boston Creek is coming in for much attention. Barry Hollinger, the only producer of the area, is pushing to the front quite rapidly. Gold Hill has opened up in a promising way on the 800-ft. level and should achieve great things when the new mining plant is installed. Hill Top is sinking and it is understood that in a short time there will be a couple of additional operations in the camp besides the Ostrom, Trethewey and others.

East Kirkland Attracts

Eastern Kirkland Lake, as The Post recently pointed out seems to be appealing to a number of interests now and there will be a number of operations in Lebel Tp. Conroyal which is down 500-ft., Lebel Lode, Queen Lebel, Pawnee, while farther east is Northland Argonaut, Associated Goldfields, all give promise of an active year.

In the heart of Kirkland Lake there will be considerable doing. The big operators are by no means through expanding. Lake Shore production is bound to go higher. Teck Hughes is about ready to increase production. Wright Hargreaves will expand later and Kirkland Lake Gold will sink deeper in the search for ore on deeper levels. It is now the deepest operation in the camp. Meanwhile Tough Oakes Burnside is aiming to accomplish better things and they may come when the winze now being driven reaches the 1,500-ft. level. Meanwhile the adjoining Sylvanite is rushing along with the finishing touches on its new mill and it should be into production before the snow is gone. There are

(Continued on page 30)

WRITE FOR OUR MARKET LETTER
F. J. CRAWFORD & CO.
F. J. CRAWFORD
S. J. McGRATH
MEMBERS STANDARD STOCK AND MINING EXCHANGE
STOCK BROKERS
10 JORDAN STREET
TORONTO, CANADA
Cable Address "Service"
PERSONAL SERVICE

MINE INSURANCE
We make a specialty of Mine Insurance problems. Survey of policies often reduces insurance cost. We give this service free.
Our Gold Bullion in Solution policy is worth serious consideration.
Rates on application
THE VENTURA CORPORATION, LTD.
FINANCIAL AGENT TRUSTEE MINE INSURANCE
67 Yonge Street Toronto-2

Says Turner Valley Oil Stock Now in Real Investment Class

How some of the Westerners look upon the Turner Valley Alberta oil stocks, can be seen from the following optimistic analysis of Vulcan Company's possibilities as contributed to Calgary Oil Examiner:

"With the Vulcan producing around 145 barrels per day at $4.72½ per barrel, it would have a revenue from one well only of $250,070.62 per annum, without any revenue from the gas.

"The amount of outstanding stock is 250,000 shares of one dollar par value. With this production the company could pay a 25 per cent. dividend which would take $62,500, leaving a balance of $187,570 to pay expenses, royalties, and drilling another well. With a good bank account on hand now, there should be a balance in the treasury to take care of unforeseen contingencies.

"Under these circumstances it will not be necessary for the directors to sell any more treasury stock, or increase the capitalization of the company. Seven more wells could be drilled on their present holdings, making eight in all, or one to every five acres. The production from eight such wells would pay a 200 per cent. dividend each year at the very least, and at the same time place aside a reserve every year of $1,250,000.

"As the Turner Valley wells are long-lived—the Royalite No. 4 is an example of this—it would be quite easy for the company to have $5,000,000 to distribute later to their shareholders. The stock is now in the real investment class, with a probable future value of not less than $40 per share."

NEW FINDS ON VICKERS

Three new finds are reported on the Quebec property of Vickers, showing high-grade copper ore wherever cuttings into the veins have been made. Consulting Engineer Spearman is calling for tenders for diamond drilling on the property, and it is expected that operations will commence in about 30 days.

P&P
MINING STOCKS
We offer a complete brokerage service based upon experience gained during more than half a century for the purchase and sale of all securities. Correspondence invited. Direct wire connections.
PELLATT & PELLATT
LIMITED.
244 Bay Street Toronto
EST. 1866

N. Y. INTERESTS TO FINANCE WORK OF WOMAN LAKE SYN.

Great Deal of Activity Reported in Woman and Narrow Lake Sections

New York financial houses have taken up the treasury shares of Woman Red Lake syndicate and will provide sufficient funds to test out the company's three groups of claims, Red, Woman and Narrow Lakes. When this is completed a company will likely be organized to develop the group showing the greatest merit.

The syndicate holds in all 23 claims and considerable work has already been done on the Woman and Narrow Lake holdings. The Woman Lake group was one of the original stakings of Thos. Powell, and one of the vendors to the syndicate was O'Byrne, who has since achieved fame because of his association with Geo. Young, the young Toronto swimmer who achieved fame in winning the long distance swim in California. The group is located north-west of Jackson-Manion and about the same distance north-east of the Henry group, both optioned to Timmins interests. Good values have been secured on these groups.

The Narrow Lake group is east of the Dunkin-McBain where very spectacular free gold was discovered. It is said that the pay streak for a considerable distance is stack full of nuggets. Home Smith and J. H. Black are said to be interested. Bodford syndicate next to the east and between the W. L. Syndicate holdings, is practically all water lots. They have an island and believe that a diamond drill hole to the north, at an angle of 45 degrees, will cut the Dunkin-McBain vein which is believed to run through the lake, 250 ft. north of the island.

Values averaging around $10 and showing little free gold has been found in three strong veins on the W. L. Syndicate holdings. Channel assays of one vein show consistant values over widths of 4 to 10 ft. Values running nothing to $50, $62, $56, $117 and $159 over these widths.

The syndicate will erect camps at once and as soon as it is possible to get a drill will undertake diamond drilling, starting on the Woman Lake groups first. E. S. Henley, manager of the syndicate will be in charge of operations.

Andean Copper Has Two Favored Groups

Andean Copper Mines, a new property in north-western Quebec has completed arrangements at the present time for an electrical survey of its holdings. The company has two groups of well located properties, one adjoining Towagamac on the north and the other group adjoining the holdings of the Coniagas and in the same area with the holdings of Tonopah, Noranda, Consolidated Smelters, Pioneer Syndicate and several other big mining and developing companies.

Due to the interest being shown in Towagamac and the north eastern section of Boischatel Township, Andean is regarded as having an excellent chance and in view of the strong management and the fact that J. C. Houston, E. M., has been retained as consulting engineer, lends promise to the proposition. Arrangements have been completed for financing the property.

Silver Stocks do Not Reflect Better Silver Price

Bar silver prices have reached a new high recently getting close to 57c. While this means much to the silver operators of Northern Ontario, it is yet to be reflected in the market for the shares. Evidently the public is not sure that the improvement is permanent.

Original Horne Mine Owners Have Now Eplett Group

Several of the leaders on Lake Trimoy Syndicate, vendors of Horne mine to Noranda, have organized a syndicate and taken up the Eplett-Metcalfe property in Montbray Tp., Quebec. They are organizing the Eplett-Metcalfe Mining Co. 2,000,000 shares of no par value and the present issue will be 200,000 shares most of which will be placed in the north.

Pete Graham one of the originals in the Horne deal, Oliver and Jack Varette, Jas. Taylor, all of the Lake Trimoy Syn. and Lloyd Lott are in on the deal. The office for the time being will be in Toronto at 500 C.P.R. building.

This property has shown sensational copper values on surface. The ore zone opened for 90 ft. and on width 9 to 11 ft. gives values on grab samples of $35 to $85. Copper content runs an average of 13.62 per cent. The property is 1½ miles north of Nipissing on the Duprat-Montbray boundary.

Two Electrical Devices Are Now Seeking Ore Bodies in Quebec Area

Sherwin F. Kelly is starting to make an electrical survey of Boischatel mines claims with his Schlumlburger devise. This makes two different kinds of electrical apparatus operating in this camp. The first testing is being done on a zone where attractive surface discoveries were made. Mr. Kelly as well as Mr. Lunberg made surveys of Noranda ore bodies and Mr. Kelly is credited with being responsible for making one of the Horne's important discoveries.

Massive Copper Body Opened Up in Corona

Supt. Cook, Corona Mines, has wired out the following report to officials of the company at Ottawa:

"Made important find on Corona North claims. Massive copper in large body of sulphides, in basalt and royalite contact. Samples following. Formation ideal. Extension of Nipissing ore body. You can expect important news from this find in the near future. Cannot tell the full width at present. Assays should assay good."

ENGLISH MONEY FOR PORCUPINE CO.

Lonergan Securities Make Attractive Deal With London Brokerage House

Lonergan Securities, Toronto, closed a deal with Carstairs Wheeler and Co., London, Eng., brokers, whereby this company will provide $250,000 working capital for Porcupine Kirkland Mines. The London company proposes to offer 500,000 shares of the stock to the public in England. The company already has about 250 shareholders in England. A representative of the London firm recently visited Toronto and expressed the opinion that in the next few years Canadian mining would draw a large amount of capital from London. He says that the grudge that has been held in England and nursed along by some interests, is fast disappearing, and this was particularly true in regard mining ventures. He said that Canada was recognized as being one of the brightest spots in the Empire and the mining industry is captivating the imagination of every forward looking Englishman.

Porcupine Kirkland is pushing ahead the completion of the road into its property in Cabot Tp., Porcupine and will later take in supplies and start sinking operations. Surface indications on the property are attractive from the standpoint of geology and values as well. These indications are so strong that the first proposal to diamond drill was dropped on the recommendation of the company's cousulting engineer and sinking operations and lateral work to cut the known ore zones will be pushed ahead.

Electrical Survey and Diamond Drilling on Holdings of Laval Que.

Electrical survey on Laval, Quebec, group near the Horne mine has been going about two weeks now and should be soon completed.

The company's diamond drill was set up at about the same time in a different locality from where the survey was undertaken and word from the management is that they await news of favorable results with confidence. Until definite results are obtained one way or another, no announcement will be made, Vice-pres. J. A. Naud states.

INVEST IN BANNER OILS LTD. SHARES

All property approved for oil production.

Send for Engineer's Report.
604 MacLean Block, Calgary

TOWAGAMAC RIGHTS NOW BEING ISSUED

First Quotation About 18c Which Makes Stock Price of $4.58

Towagamac shareholoers are now receiving certificates of rights for the purchase of new stock at $3.50 per share, if they so desire or for disposal, if they do not wish to take up the additional shares.

The only quotation heard so far for the rights was 18 cents per share. For every 6 rights, the holder can purchase a share of Towagamac at $3.50, so that the value of the rights will be somewhere around the difference between $3.50 and the market price of the stock divided by six. At 18c a right, a share of Towagamac would cost $3.50 plus 6 times 18c or $4.58 and the stock is selling on the open markets around $4.70.

Shares Are Eagerly Sought in Venture of Oldtime Cobalters

Montchatel, a combination name coined from Montbray and Boischatel Tps., is the name of a new Quebec venture launched by a number of old timers of Cobalt. The holdings, 960 acres in all, have been held some time and considerable work done on them and three rather important discoveries have been made. It is understood that the first block of 500,000 shares was eagerly grabbed up by the prospectors and their friends and funds are now available to go to work. Wm. Fairburn will have charge of the property and J. H. Rattray, M.E., will be consulting engineer.

Sutcliffe Company Ltd.
CONSULTING ENGINEERS
and
ONTARIO LAND SURVEYORS
NEW LISKEARD, ONTARIO

JAMES W. SEWALL
Consulting Forester,
OLD TOWN, MAINE,
Largest Cruising House in America

MORE PEP
Storage Batteries
for Cars and Radio
Monarch Battery Mfg. Co. Limited
Kingston, Ont.

For practical assistance to the manufacturer, and business man in the testing, inspection and use of all materials.
Milton Hersey Company
LIMITED
Industrial Chemists and Engineers
Montreal Winnipeg

We Specialize in Canadian Mining
STOBIE·FORLONG & Co
STOCKS BONDS GRAIN
Head Office: Reford Building
BAY AND WELLINGTON STS. TORONTO
MONTREAL, HAMILTON, BRANTFORD — Private Wire System — KITCHENER, OSHAWA, ST. CATHARINES

POWER AND MINES CORPORATION, LIMITED

Fully Paid up, not subject to call—No Personal Liability.
Incorporated under "The Companies' Act" (Canada).

HEAD OFFICE — Jacobs Building, Montreal, Canada

Locations and Holdings

The Company owns outright a Silver Lead Property at Pearl, Ontario, 30 miles east of Port Arthur known as The Enterprise Mine. This property consists of 400 acres adjoining the Canadian National Railways and within one and a half miles of the Canadian Pacific Railway and five miles from Lake Superior. Electric power from the Ontario Hydro-Electric Power Commission is available. In addition, the Company has under consideration the acquisition of options on other property in the same district, totalling approximately 1,000 acres.

The Power & Mines Corporation, Limited, have a working option agreement with the United Algoma Mines Limited, to develop and operate the GRACE AND STAR Mines in the Michipicoten Mining Area of the Algoma District, Ontario. There has already been expended by the Power & Mines Corporation, Limited, under this contract, approximately $45,000—in respect of which, shares have been delivered. A total sum of $325,000—is to be expended over a period of years ending in 1930. At the end of that period, Power & Mines Corporation, Limited, will hold approximately control of the capital stock of the United Algoma Mines Limited.

The following Engineer's and Government reports are taken from the prospectus of the United Algoma Mines Limited.

Extract of Reports, Bureau of Mines, Ontario Government; Michipicoten and Goudreau

"The deposits are lodes containing sugary and glassy quartz, carrying pyrite, pyrrhotite and chalcopyrite, arsenopyrite and visible gold with intermixed schist. They occur in Keewatin aericite schists, and quartz porphyries not far from Post-Keewatin granite and gneiss."

"GRACE, the most important mine in the area."

"A geological examination discloses a formation of porphyritic dark green diorite, with the feldspar in small white crystals, the rock having no marked schistosity and presenting a very blocky appearance, due to several jointage planes."

"At the Grace Mine, bands of coarsely granular quartz run parallel to the strike of the gray or greenish gray schists, about 140 degrees and dip 70 degrees to the east. Near by are massive looking gray rocks, apparently greatly weathered porphyrite. The vein has been traced 200 feet on the surface, a greatest width of about five feet but pinching at several points. The quartz contains pyrite, pyrrhotite, chalcopyrite and arsenopyrite, as well as free gold; and some of the adjoining grayish schist is gold-bearing."

"On the first level, at a depth of 100 feet, the ore has been stoped out for 150 feet along the vein and to the level. In the north drift of this level, 90 feet from the shaft, a winze has been put through to the second level stope. At the second level, 200 feet in depth, the drifts north and south are 100 feet and 180 feet in length."

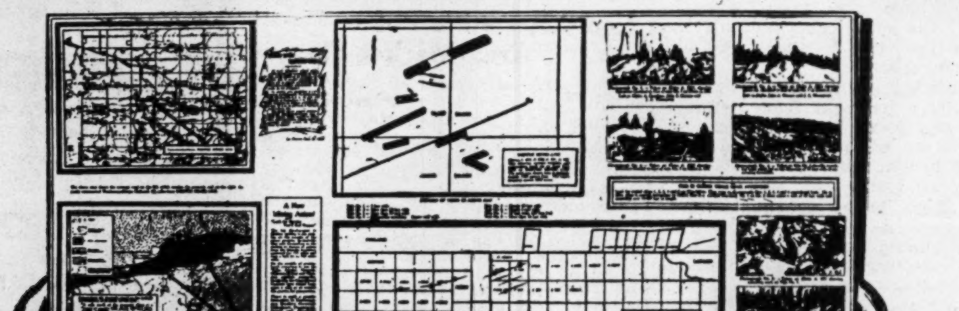
"The north stope has been carried through to the first level, while south of the shaft no stoping has been done. At the third level, at a depth of 300 feet, drifts have been run north and south, 80 feet and 50 feet respectively."

"No stoping has been done at this level."

Common Stock — $1.00 per share

Fiscal Agents
Anglo-Canadian Service Corporation
Limited
282 St. Catherine Street West
MONTREAL, CANADA

A WEALTH of INFORMATION You Should GET



DESTOR means COPPER

DESTOR MINES LIMITED is a COPPER MINE with assays showing up to 26% copper ore from grab samples and an average copper percentage of 4½% distributed over large areas.
Mr. John A. DRESSER is engineer in charge, and, under his direction, the property is undergoing Diamond Drilling work, which should prove in depth the startling values found on the surface. With its stock selling on the market at 40c DESTOR MINES LIMITED appears to be one of the safest speculative values in Quebec mining stocks.

FILL IN AND SEND COUPON BELOW.

PERCY LUSCOMBE
53 St. Francis Xavier, Montreal, P.Q.

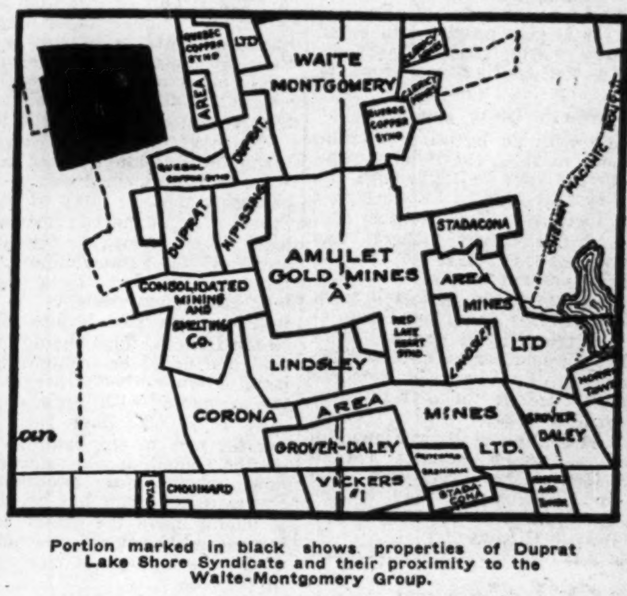
Please send me without obligation
your Prospectus giving facts about Destor Mines Ltd.

PLEASE WRITE NAME AND ADDRESS PLAINLY

F.P.

PERCY LUSCOMBE & CO.
53 ST. FRANCIS XAVIER ST., MONTREAL. Phone MAin 6223

A Profit of Over 50% to Those Who Took Our Advice---and Acted Quickly



Portion marked in black shows properties of Duprat Lake Shore Syndicate and their proximity to the Waite-Montgomery Group.

On January 3rd, 1927, we offered the first block of Syndicate units in Duprat Lake Shore Mining Syndicate at $12.50 per unit. At this time we urged immediate action as we knew a ready response would meet the offering from those who watched developments in this section of the Quebec camp.

We were right—so were those who sent in their subscriptions. Work done on our properties and surrounding claims, combined with the report of J. C. Houston, a very reliable mining engineer, has practically assured Duprat Lake Shore of a continuation of the great Waite-Montgomery main break across our property. What this means needs no further explanation. A glance at the map shown to the left will show the strategic location of our properties, totalling approximately 600 acres, and the importance of the location, with the break running north-west through our claims.

Active work is continuing. As results are received the value of these Units are bound to increase further. The original offering at $12.50 has now jumped to $20.00. At this price only a few units are available. Anyone who has followed the unprecedented rise in the market value of Quebec Stocks can easily realize what these units will be worth once the ore bodies are definitely proven by the electrical survey and an energetic campaign of diamond drilling.

On the advice of our consulting Engineer, Mr. J. C. Houston, we have acquired, in addition to the above properties, a long-termed option on 26 well-located claims, approximately 1,040 acres, in Montbray Township, Quebec, adjacent to Nipissing, and with excellent geological formation.

We again urge you to act at once. This Syndicate will stand the closest investigation, having a nominal capitalization of 25,000 units. The affairs of the Company are in the hands of thoroughly competent and efficient men.

FILL IN AND MAIL THE COUPON AT ONCE.

A. D. Macpherson & Co., Limited,
National Bldg., Toronto.
Gentlemen:—
Enclosed please find cheque for .... in payment of .... units, at $20.00 per unit, of Duprat Lake Shore Mining Syndicate.
Name ....
Address ....

A. D. MACPHERSON & CO., Limited
Investment Securities
National Building
TORONTO

OPTION MONTBRAY GROUP

Duprat Lake Shore Syndicate has optioned 26 claims in Montbray Tp., Que. The company has large holdings near Waite-Montgomery in Duprat and Dufresnay Tps.

We recommend
Montreal Rouyn
Louis M. Atwell & Co.
Members Montreal Mining Exchange
Insurance Exchange Building,
190 St. James St., Montreal.

C. H. MANATON
MINING PROPERTIES AND STOCKS
Recommend Purchase at Market.
Noranda, Amulet, Dome, Wright Hargreaves
Suite 611-620
BANK OF HAMILTON BLDG.
TORONTO

ISBELL, LOGAN CO.
Mining Investments
190 St. James St., MONTREAL
Main 3401

ONTABEC
The Outstanding Purchase of the North
F.W. DAVIS & CO.
707 BLACKBURN BLDG.
OTTAWA.

GORDON P. O'REILLY & CO.
Investment Stocks and Securities
Room 516, 120 St. James Street
MONTREAL, QUE.

ALLEN & COMPANY
Investment Bankers
Government, Municipal and Corporation Bonds.
36 King Street East
Tel. Elgin 5516

S. A. Marvin R. H. Scarlett
FLEMING & MARVIN
Established 1909
Members Standard Stock and Mining Exchange
STOCK AND INVESTMENT BROKERS
320 Bay Street, Toronto
Phones Elgin 5206-7.

JULIUS RICKERT & CO.
Geologists and Mining Engineers
Established 1894
67-70 UNION BANK BUILDING
Phone M9810 CALGARY, Alberta

Canada's Gold Output Will Soon Lead States

"Canadian prospects for increased production (gold) in the near future are good, and unless some constructive assistance be rendered the domestic producers of gold, the production in Canada will probably overshadow that in the United States in the not distant future."

The above is from an article by A. N. Lawrie, American Gold and Silver Institute, Washington, on world's gold production.

NIPISSING SHARES APPEAL TO MANY

Chance for Speculation in Copper With Strong, Well Financed Operation

One hears many expressions of optimism in regard the market for Nipissing shares which in the last couple of months have doubled. They are now selling at $10 and the company pays 12 per cent. or 60c per share, the yield is now 6 per cent. The interest in Nipissing is due to the discovery of excellent copper values on its group of claims in Montbray Tp., Quebec. The assays secured were very attractive and this, coupled with the fact that Nipissing has about $4,000,000 cash on hand and a splendid technical staff, caused an eager demand for the shares. To the public it seemed evident that with such a skillful, well-financed organization and such a discovery as reported, the operation possessed much merit. Some of the super-optimists are now talking much higher prices for their shares. This may come. As matters now stand, the shares are selling at double par, the company has what can be conservatively called a very attractive copper prospect, its Cobalt silver property seems capable of caring for the dividend and the South Lorrain operation is looking quite attractive. Of course, if the Quebec operation fails the shares will likely drop back to par.

Duprat Lake Shore Synd.
For information re the above send to
A. D. Macpherson & Co.
LIMITED
Investment Securities
347 Bay Street. Toronto

D. S. PATERSON & CO.
Members Standard Stock and Mining Exchange
Royal Bank Building TORONTO
Phones AD. 4747
Specialists in Canadian Mining Securities

Lake Shore Production on $3,000,000 Basis

Figures for Last Quarter of 1926 Show Material Tonnage Jump, But Slight Easing in Gold Content of Ore Treated

Lake Shore mill in the last quarter of 1926 handled 50,860 tons, recovery $780,000 which is $30,000 above the previous quarter. This is on a basis of $3,120,000 yearly. The last report for the year ending June 30, 1926, showed bullion production $2,235,184, so that the increase is nearly $1,000,000 with the recent increase showing in the second and third quarter of the fiscal year. This increase will be more than maintained. The production figures follow:

	Tons	Prod.	Ton
Yr. June 30, 1926	125,676	$2,235,184	$17.79
Qr. Sept. 30, 1926	45,430	750,000	16.50
Qr. Dec. 31, 1926	50,860	780,000	15.34

This indicates a slight drop in millheads or average content of the ore, but this may be expected to recover again because of the rich new ore opened up by the winze on No. 2 vein as considerable of this ore will come from development as the winze is carried to deeper levels.

U.S. SMELTING WILL DRILL THE THORMOOR

Chalcopyrite Zone Opened Out for Considerable Distance on Surface

Exploration work on Thormoor Copper Mines, Limited, has disclosed further interesting finds. Samples taken from an extensive mineralized area, assay around 8 per cent. copper with traces of gold and silver. The properties held by this company were recently taken over from the Rouyn Boischatel Dev. Co.

W. H. Thorburn, president of the Thormoor Copper Mines, Limited, has just returned from a conference with the U.S. interests. It has been decided to proceed with an extensive campaign of diamond drilling to be commenced immediately tenders are received and a satisfactory contract has been arranged. The crew on the property will probably have to be increased to cope with the enlarged program of exploration and drilling.

H. D. MacDonald, engineer for the U.S. Smelting, Refining and Mining Company, along with A.B. White arrived at the property on Saturday last to supervise operations.

Expect Excitement in Kamiscotia in Spring

If Kamiscotia area, west of Timmins develops as it is expected to do, it will not be long without railway transportation. Already the T. and N. O. is reported to have sent men in to look over the field. It is expected that in the spring there will be a great deal of work going on in the area. Practically all the staking has been snow staking and the prospectors will be early on the job to find out what their stakings cover.

Because of the copper find on the Jamieson group, it is expected that there will be considerable excitement when the snow goes.

LOW GRADE COPPER NEAR SOO

A new copper discovery is reported east of Sault Ste. Marie, Ont., and it is said that a low grade body opened up in a sedimentary trough, may ultimately be found to extend for two miles. The indicated width is 40 ft. Considerable stripping has been done.

A GOLD ENTERPRISE

If you would be interested in the shares of an enterprise which exploration has proven to have wonderful possibilities of a mine-in-the-making, an enterprise under capable management and clean administration which will stand the closest investigation of yourself and your banker, write for booklet and engineer's report of Thompson Cadillac Mines, Limited, to MICHAEL ABRAHAM & CO., Suite 4, Excelsior Life Building.

Pioneer Hollinger Lake Shore Tough-Oakes

THIS week's Market Despatch contains important information on the above mines, which may be expected to have an effect on their market values in the near future.

We shall be glad to mail a copy to all those interested.

FREE ON REQUEST

ARTHUR E. MOYSEY & CO.
FOUNDED 1904 LIMITED
TELEPHONE: ELGIN 5171
Moysey Building, 242 Bay Street, Toronto

We will be pleased to communicate our latest information regarding the investment possibilities of any of the more prominent mining securities.

ORDERS EXECUTED ON ALL EXCHANGES
A.E. Osler & Co.
Cor. JORDAN & MELINDA STS., TORONTO
Established 1886 Phone Elgin 3461

Who is your Broker and why?

The current issue of "The Mining News," our market letter, casts what may be a new light on this important subject.

A copy, free, upon request.

Phone Elgin 5111
F. G. OKE & CO.
Members Standard Stock Exchange
34 KING ST. EAST - TORONTO

OUR facilities for quickly securing accurate information on important developments at the mines—our many years of experience in foreseeing the probable effect of such news on the market position of stocks, enables us to offer mining investors a service both effective and valuable.

Why not take advantage of this helpful service and have your name placed on our list to receive Gibson's Fortnightly Mining Review? A simple request is all that is necessary.

Homer L. Gibson & Co.
Members Standard Stock Exchange
Bank of Hamilton Bldg. -- Toronto
Phone: Elgin 2241
TIMMINS KIRKLAND LAKE COBALT

A NATIONAL HERITAGE
—An Individual Opportunity

THE fact that the business of a whole nation is on the march is seldom perceived until the movement has become a rush. This seems particularly true of Canada today; that the return of prosperity is like the incoming of a tide on an open coast. Almost imperceptibly advances are made, and even while depression is being preached, the forward movement gains momentum until suddenly it forces its active attention and its benefits on every household and in every business in the country.

The same thing is especially true of the movements of mining development. Booms have come and gone, and usually these have centred around a particular point, but the last three years have marked an accumulation of accomplishment along a great front, stretching from Manitoba to Gaspe, so steady and consistent that the whole country is beginning to realize that a great and sustained attack is under way which, in all probability, will last for generations and turn this country into the world's greatest producer of metals.

Figures which cannot be challenged tell the tale of a rising stream of profits flowing out of the North Country. This has already enriched many people and will enrich many more, but because of the very brilliance of the opportunity I would urge with all the power at my command that care be used. Opportunities of the most alluring order are being offered every day, but the opportunity which after knocking at your door does not give time for investigation should be allowed to pass by.

There are many sources of information but I believe that the safest guide is a man's own bank manager. In any industrial proposition or general investment the bank manager would undoubtedly be consulted. He, through his knowledge of ways and means, is in a position to find out those facts of personnel and capitalization upon which success so much depends, and I believe that such consultation in the matter of mining stocks would help greatly in making the proper choice. It is obvious from the statements of leading bankers, and the advertising of leading banks, that they are fully alive to the part mining will play in the development and wealth of this country, and they have always shown a disposition to help make any industry safe for capital.

A mining industry safe for capital will provide a means of individual enrichment beyond anything that Canada has ever experienced.

Robert Harvie President
Harvie Mining Exploration Company, Limited

Canada Cement Building
Montreal, January 15th, 1927

MUCH DRILLING IN RIBSTONE AREA IN SUMMER CERTAIN

Large Acreage Covered by Existing Leases and Three Concerns Are Operating

CALGARY.—At least five or six wells will be spudded in on the Ribstone oil structure on the Saskatchewan-Alberta boundary during the coming summer. Developments may result in twice or even three times that number being started. In fact activities in the field will be governed largely by what happens at the three wells now drilling—the Imperial, Ribstone and Advance.

Fully 60,000 acres have been filed on the structure in eastern Alberta and Western Saskatchewan, including 13,000 acres in the Buffalo Lake area. This latter was taken up by a Calgary syndicate after being selected by J. O. Williams.

Since the famous report of Dr. G. S. Hume, of the federal geological survey, which recommended drilling on the structure, precipitated a filing stampede last spring, filing on the flanks of the structure has proceeded steadily. Geologists have worked out portions of the area which Dr. Hume did not have time to investigate thoroughly, notably the Buffalo Lake section between Wainwright and the main part of the Ribstone field.

The gentle dip of the structure makes it practically certain that the acreage is worth testing for considerable distances on both sides of the anticline, the rate of dip being about 25 feet per mile in a northwest direction and only 7 to 10 feet per mile on the southeastern flank for an unknown distance.

Two companies, the Imperial and Ribstone Oils, own sufficient acreage to make it worth their while to drill exhaustive tests. The Imperial secured 12 sections from the Canadian Pacific railway last spring. Ribstone Oils had fully 19 sections when it began its drilling operations last summer.

Early this month the Imperial resumed drilling past the 1,900-ft. level after penetrating three oil sands of varying thicknesses. Ribston Oils was down 1,040 ft. when the last report was received from the field, not far above the first gas horizon. Advance No. 1 is down over 500 ft.

Munro Copper Group Are to be Explored

The copper-zinc discovery in Munro Tp., north of Kirkland Lake, will be subject of a magnetic survey as soon as possible. A company known as Potter-Doal has taken them over. A Toronto group is in control of the new venture and it is understood that some leading mining men have taken a hand.

The discovery consists of copper and zinc ore 15 to 20 feet wide, and on both sides of this rich ore there is approximately another 25 feet of low-grade ore. The assays of the rich ore give values of between $40 and $63 per ton.

Contracts have been let for a magnetic survey to start at once to be followed by diamond drilling. Camps are being built and arrangements made to instal a mining plant as soon as the diamond drills have located the strike and location of the ore body. For the present Joseph Errington will be in charge of mining operations.

Iconoclast Head is Again Foul of Law

Engineering and Mining Journal, New York, publishes the following:

Supreme Court Justice Joseph Rosch has signed, on the application of the New York Attorney General, Albert Ottinger, an order restraining temporarily from fraudulent practices and misrepresentations in the sale of stocks and other securities, George Graham Rice (also known as Jacob S. Herzig), the Wall Street Iconoclast, Inc.; Frank J. Silva, Nash Rockwood, the Columbia Emerald Development Corporation, Edmund J. MacNamara and Frederick Lewisohn. The order was returnable on Jan. 8.

Rice, who has figured before in the sale and promotion of mining stocks, is made the central figure in the present proceeding. It is charged in the affidavit of Deputy Attorney General Keyes Winter that he sold the stock of the Columbia Emerald company, through misrepresentations in his 'Wall Street Iconoclast,' a weekly paper.

Mining Inquiries

Teck Hughes

What is Teck-Hughes' outlook?

Teck Hughes looks very attractive. It is now undergoing a material expansion which will materially increase earnings. The company is paying interim dividends.

Argonaut-Barry Hollinger

How about Argonaut and Barry-Hollinger mines. Have they a chance?

Argonaut looks to be attractive as a speculation. Much richer and more consistent ore bodies have been encountered on the deeper levels. Barry Hollinger is making good progress and seems to be working out as a fair sized mine.

Hunton-T. O. B.

I recently bought Hunton and Tough-Oakes shares, and am now told my money was thrown away. Do you think so?

Kirkland Hunton is a speculation as is also Tough Oakes. The latter is producing and finding sufficient ore to keep the mill operating at a small profit. There are indications that it should do better. Hunton people are trying hard to find a mine.

Rouyn Boischatel

I am thinking of buying Rouyn-Boischatel. Is it a good speculative buy?

Rouyn Boischatel Development is a fair speculation. The company has some attractive looking properties and has made a deal with U. S. Smelting on one group, is well located in Quebec—copper area. Excellent copper showings have been opened up on surface.

Speculative Possibilities

Give me your opinion on Amulet, Buckingham, Duprat, Argonaut, Noranda.

All have speculative features. Buckingham is much the weakest. Duprat looks attractive because of diamond drilling now under way; Amulet is regarded as a near producer; Argonaut looks good for a hold and is producing, while Noranda is a large proven mine not yet producing.

Archean-Harvie

Would you consider Harvie Mining Exploration Co., Ltd., and the Archean Mines Development good investment? What are shares worth? Wire nightletter Collect.

Both Harvie issues are well regarded. Possibilities of properties in Quebec are large and clean, conservative and intelligent operation is being carried on. Shares not listed and closely held so price not obtainable. Last report was that Harvie mining shares were commanding fifty per cent. premium.

Woman Red Lake

Has the Woman Red Lake Syndicate any merit?

Woman Red Lake is one of many syndicates that holds promising properties in Woman and Narrow Lakes. The boom in these areas slackened for a time anyway and real operations will now be necessary. A handicap is that the properties are some 200 miles from rail transportation. We understand that the syndicate is in good hands and has assurance of development funds and a well diversified holding.

Several Quebec Issues

Please answer the following: 1. How are Fiske shares as a gamble? 2. Is the company capable to cope with property fees and do work? 3. How much cash is in treasury? 4. Do you consider Towagamac a preferred speculation? 5. Same about Waite-Montgomery? 6. How about Grover-Daley? 7. What do you think of Macassa? 8. Will Towagamac, Amulet, Waite, Duprat, join hands to build big smelter?

No. 1. The company has large Quebec holdings, and is just getting exploration well under way.

No. 2. It sold substantial amounts of stock and so must have a good sum in cash in its treasury. Its expenditures on exploration have been light until recently.

No. 3. Sum not known.

No. 4. Yes.

No. 5. Yes.

No. 6. This is a market speculation. The company has good holdings. Believe that there is considerable stock overhanging the market.

No. 7. An attractive speculation.

No. 8. There has been talk of such move on the part of the companies Mr. Timmins is interested in. Amulet, Waite, Towagamac.

GREATER KIRKLAND FACES BUSY YEAR; MANY NEW MINES

(Continued from page 27)

two other ventures, Townsite and Hudson Bay, adjoining the producing mines on the south which are exploring.

Hunton Does Better

One should not lose sight of Hunton either. They have been getting some spectacular ore on this property and though there has not been a great deal said about the work going on at this property, the company has been driving ahead all the time trying to find a mine and always trying to keep finances ahead to keep an economical effort going. Servais Gold Mines, some distance to the south will also carry out a substantial diamond drill program in the spring. Buffalo people are providing the funds.

There are reports of negotiations to amalgamate a number of interests in the Goodfish Lake section which is sometimes referred to as the north break of Kirkland Lake. These properties are in townships of Morrisette and Bernhardt, north and east of the producing section of the field. Among the properties mentioned as likely to figure in the amalgamation are the Goodfish Gold Mines, Ltd., Providence Gold Mines, Shannon and other properties.

Talking of Mill

The Bennett operation at Sesekinika, where lateral work is now being done, may consider a mill in the spring. The Baldwin exploration at Kenogami will push ahead while the new finds in Maisonville, which attracted a good deal of attention last fall, will likely be aggressively attacked by several operations in the spring.

Much interest attached to Munro Tp. because of the copper discovery on the Potter-Doal property and there are prospects that other such finds will be made. Meanwhile it is announced that work will be started on the claims of Mathewson Mining syndicate which are now owned by the Northern Gold Belt Mining Co. and which concern is being financed in London.

To the east of Munro to the Quebec boundary and especially around the section north of Argonaut mine, there is bound to be much work done because of the copper finds made in that section last fall and on which some promising showings were opened up before the snow come.

Bigger Lake Shore Mine in Making

Lake Shore is now treating 750 tons daily. Last week The Post referred to the expansion possibilities of this operation but had no idea at the time that it would come so quick. The mill has been handling 600 tons daily and it was thought that this rate might be held for the winter months.

It is now evident that plans for this expansion have been under way some time, undoubtedly before the company had any indication of the rich ore below the present operating levels. The shaft is now down below the 1,200 ft. level and will be carried to 1,600 ft. and this with the winze from the 1,000-ft. level west on No. 2 vein, opens up possibilities of another mill increase.

NEW ACTIVITY FOR MUNRO TP. AREA

Funds Are Provided to Start Operations on Northern Gold Belt

Final details of the deal with London, Eng., interests whereby funds are provided by English interests for opening up the Northern Gold Belt property in Munro Tp., have been worked out. This week A. A. Radclyffe and Humphrey Coysh come to Toronto to attend the directors meeting and put through the final details. It is understood that $50,000 has been provided for the initial work which will likely start with diamond drilling. By an agreement reached, the London interests are to have three directors and the Canadians two. Dr. Jas. Barton is president and the three English directors are Mr. Radclyffe, Commander W. Henry Coysh, D.S.O. and George G. Plant, barrister.

As a result of the copper find on the Potter-Doal group, it is reported that a couple of deals have taken place on claims in the vicinity. These are the McCallum and Abate-Scace groups. The McCallum group consists of 18 claims south of the discovery claims, and the Abate-Scace group has eight claims, west of the Potter-Doal. The purchasers are interests with whom Bob Jowsey is associated.

NEW SILVER OPERATION

Keeweenaw Mines, south of Cobalt, a silver prospect, is being explored by Noranda interests. Another new operation in the same area is Pacona Mines, a new incorporation.

"The 'H's' Have It"

Observer points to interesting omission of Previous Contributor.

The Mining Editor,
Financial Post,
Toronto.

Dear Sir:

Have read your article, "The 'H's' Have It," with very great interest.

Am inclined to think that there is a very great deal in what you say about the happy combination of "H" and "O," and it seems to me that your article might very well have been finished off with reference to, possibly the happiest and most deserving combination of all, namely, that of Mr. Harry Oakes.

Suggest you find a new title for this mine, incorporating the same successful combination.

Yours faithfully,
OBSERVER.

We Solicit inquiries from those interested in Canadian Mining Investments.
KIELY & SMITH
Members Standard Stock Exchange,
Canadian Pacific Bldg., Toronto, Can.

Preferred Securities Corporation Limited
Investment Bankers
Specializing Unlisted Securities
18 Toronto Street, Toronto, Ontario.

GRANADA ROUYN
Owning 10,000 acres of choice properties in Quebec.
Capitalization 5,000,000 shares —no par value.
Ask your broker or write
ROBERT GAMBLE, Haileybury, Ont.
Head Office: Rouyn, Que.

The Price Syndicate
invites you to consult them before investing in Alberta oil stocks. Member Calgary Stock Exchange.
212 Seventh Avenue West, Calgary, Alberta

Castle Trethewey
Vipond Noranda
Bourlamaque Syndicate
MORGAN U. KEMERER
29 Melinda St. Toronto 2, Ont. Adelaide 7715
145 St. James St. Montreal, P.Q. Harbour 4935

$5 will bring you The Financial Post for the next twelve months.
Use This Coupon to Subscribe
THE FINANCIAL POST,
143 University Avenue,
Toronto.
You may send me The Financial Post for one year (52 issues).
☐ I enclose $5.
☐ Draw on me for $5. (Indicate method of payment.)
Name
Occupation
Address

JAY COPPER-GOLD MINES LIMITED
(NO PERSONAL LIABILITY)
The work completed has proven the property to have great merit. Vein at 200 feet is 8 feet wide.
We have prepared a most up-to-date map of Northern Quebec. It is yours for the asking.
WRITE
Francis J. Hunter & Co. Limited
Mezzanine Floor — Mount Royal Hotel
MONTREAL

MARCLAY MINES
TRADED ON MONTREAL MINING EXCHANGE
Write for Information
W. F. WRIGHT & COMPANY
Metropolitan Bldg. TORONTO

C. I. COULTER & CO.
MEMBERS STANDARD STOCK & MINING EXCHANGE
BROKERS AND FINANCIAL AGENTS
MINING STOCKS BOUGHT FOR CASH OR ON A CONSERVATIVE MARGIN

North Western Quebec
"The Land of Opportunity"
PLANT & HAMPSON LTD.
Members Montreal Mining Exchange
Union Bank Bldg. OTTAWA

Lonergan Securities is pleased to recommend purchase of shares in
Porcupine Kirkland
Lonergan Securities Limited
Union Trust Bldg. Toronto

A. W. HAWKEY & CO. LIMITED
Members Calgary Stock Exchange
Oil Stocks and Leases Bought—Sold—Quoted
We invite correspondence. Write us. Liberal Terms to Agents.
501 Leeson & Lineham Bldg., Calgary, Alta.

W. P. Alderson A. A. MacKay
ALDERSON & MACKAY
CONSULTING MINING ENGINEERS
Examination of Mineral Properties. Mine Operation and Management. Specializing in North-Western Quebec Pre-Cambrian Ore Deposits.
New Birks Bldg. MONTREAL

DESTOR MINES LIMITED
provides an opportunity for a sensible speculation in a Quebec mining development which may be accepted with confidence.
Work on the property is under the personal direction of Mr. John A. Dresser, a mining engineer of capacity and repute.
Diamond drilling is now in progress. From the extensive surface and dip needle showings, important drilling results are expected.
Consult your broker or write
Head Office: Room 205-17 St. James St., Montreal

Mowat & MacGillivray
STOCK BROKERS
128 Sparks St., Ottawa
*Queen 610 New York Stocks
Private Wires Mining Stocks
Montreal and Toronto Stocks Orders Executed on All Exchanges

LORSCH & CO.
MEMBERS STANDARD STOCK AND MINING EXCHANGE

CHAS. SPEARMAN
(B.Sc., M.A.)
CONSULTING MINING GEOLOGIST AND ENGINEER.
Examinations, reports, etc.
Exploration and mining programs.
Preliminary exploration, diamond drilling, etc.
Room 704, Power Bldg., Montreal, Que.
'Phone Main 6212.

PATRICIA AIRWAYS LIMITED
Provides
The quickest, safest and most comfortable method of travel
BETWEEN
SIOUX LOOKOUT, RED LAKE
AND THE
Chief Gold Fields in the District of Patricia
'Phone for full particulars or write
PATRICIA AIRWAYS & EXPLORATION, LIMITED
Seaplane Base: Sioux Lookout, Ont.
500 C.P.R. Building, Toronto, Ontario. 'Phone: Elgin 4598.

ALBERTA OIL
Daily Quotations
Ottawa Bond & Security Company, Ltd.
BOOTH BLDG. - OTTAWA

Don Rouyn Discoveries
Write for latest information
St. Lawrence Finance Corp.
14 Hospital Street Montreal

Specialists in Quebec's Mining Stocks
Send for Daily Sales Sheet of Quebec Stocks.
VICTOR RIGOT & CO.
Members Montreal Mining Exchange
55 St. Francois Xavier St., Montreal

Free Map of Quebec Gold Fields
A specially prepared map. You should have one. Send to-day.
W. H. Thorburn & Co. LIMITED
Royal Bank Bldg., Toronto

Massey-Harris Co.

Report Reveals Earnings of $9.57 Per Share of Common Stock, With 1927 Outlook Even More Promising

Gross earnings of Massey-Harris Co. for the year ended November 30th last were $3,005,220, and the net earnings were $1,995,768. This compares with net of $1,411,174 in 1925 and $87,711 in 1924. From the gross earnings are deducted sums totaling $1,009,451 for interest, depreciation, income tax and contingencies.

Net earnings of $1,995,768 are equivalent to $16.50 on the preferred and $9.57 on the common.

The report presented to shareholders at the annual meeting on January 24th points out that sales in the year under review have increased 22 per cent. and are greater in amount than those of any previous year since 1920. Prior to 1920 these were about equally distributed between Canada and the other countries, but since that time export sales have consistently exceeded domestic, and during the past year they have represented about 61 per cent. of the total. It is remarked, however, that enhanced domestic prosperity ought soon to restore the relative proportions formerly existing.

Crop Conditions Good

With sales in growing volume in every agricultural country, world crop conditions are of primary concern to the management and indirectly to the shareholders. While the Canadian crop was somewhat affected by ad-

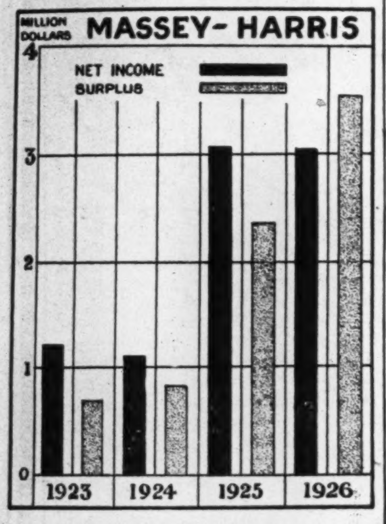


Chart shows growth of earnings and accumulated surplus of Massey-Harris.

verse weather conditions in the latter part of the season, values remained fairly high. Average crops were garnered elsewhere except in Australia and the Argentine, but the crops now being harvested in those countries are materially better than those of last winter.

Investment Increases

The balance sheet shows that capital assets have increased to $8,516,223, compared with $8,207,948. This increase was principally on account of expenditures in improving plant equipment and the acquisition of branch warehouses in South America. A new investment is $368,707 in the site, buildings and equipment of the company's French plant at Marquette, near Lille. This work, it is expected, will be in operation in March or April of this year.

Current liabilities, bills and accounts payable, totaled $6,260,878, which is $2,629,323 in excess of this item in the previous year's report. This increase is viewed with equanimity, however, because it represents additional borrowed capital necessitated by the expansion of operations which have been proving profitable The net liquid, or working capital, has increased $928,634, and is now at the substantial total of $23,083,911.

Current assets, including inventories of finished goods, goods in process, and materials, receivables, cash, etc., amount to $29,344,789, or more than four times the current liabilities, and $3,557,958 greater than at the end of 1925. It is pointed out that the increase is mainly in inventories occasioned by the larger sales, requiring heavier stocks of implements and parts at branches, and by the carrying of greater quantities of materials to care for increased production. Inventories, as usual, have been priced at cost or replacement value, whichever is the lower. Bills receivable have increased $521,065, which is deemed moderate in view of the greater turnover.

Produce Reaper-Thresher

The report of the directors makes reference to the Massey-Harris reaper-thresher as the "greatest labor-saving harvesting machine yet introduced." Sales have been increasing steadily. It is asserted that experience has proved the machine will reduce the cost of harvesting by one-half and its more general use in suitable areas will have a marked influence in the cost of producing all cereals.

Massey-Harris Co., as at present constituted, was incorporated in 1891, as a merger of the Massey company, established in 1847 by D. A. Massey and A. Harris & Son, Beamsville, established in 1858. The plant and business of J. O. Wisner Sons & Co. was acquired in 1891. The Verity Plow Co., the Bain Wagon Works the Corbin Disc Harrow business at Prescott and the Kemo Manure Spreader Co., Stratford, also were acquired with the view of rounding out the implement business. The Canadian company also owns 99 per cent of the stock of the Massey-Harris Harvester Co., Batavia, N.Y., which formerly was the Johnston Harvester Co. and also acquired the Deyo-Macey Engine Co. of Binghamton, N.Y.

Capitalization—

	Authorized	Outstanding
Common	$12,500,000	$12,089,900
Preferred	12,500,0000	12,089,900

Shares $100 each.
Joint debenture note issued with the Massey-Harris Harvester Co., now reduced to $1,600,000.

Dividend Record—

Cash dividends paid each year, 1897 to 1921. In 1922 dividends were suspended in order to conserve cash resources. On preferred 7 per cent. paid in 1926.

Officers and Directors—

J. N. Shenstone, president; T. Bradshaw, vice-pres. and general manager; C. N. Appleton, sec.; C. L. Wisner, G. Valentine, E. R. Wood, W. J. Verity, G. W. McLauglin, C. S. Blackwell, A. S. Patterson, J. G. Hossack, T. A. Russell.

Profit and Loss—

	1925	1926
Net income	$2,346,543	$3,005,220
Recov. of assets	661,139	......
	3,007,682	3,005,220
Interest charges	480,513	193,151
Depreciation	939,165	500,245
Income taxes	150,000	200,000
Appropriation for contingency	......	100,000
Pension and insurance	26,830	16,055
Total deduc.	1,596,508	1,009,451
Net profit	1,411,174	1,995,769
Prev. dividend ..	......	846,293
	1,411,174	1,149,476
Prev. surplus ...	818,709	2,359,882
Contingent	130,000	......
	$2,359,883	$3,509,358

Four Years' Earnings—

Year	Earnings	Dividends	Surplus
1923 ..	$1,120,937	......	$ 750,153
1924 ..	1,065,180	......	818,710
1925 ..	3,007,682	......	2,359,883
1926 ..	3,005,220	$846,293	3,509,358

Foundation Company

Has Completed Satisfactory Year and Outlook for 1927 is Favorable

It is understood that the Foundation Company has just completed a very satisfactory year. The sole investment interest in the company lies in its issue of first preferred stock; all the second preference stock which is outstanding is owned by the parent New York organization. The outlook for the coming year appears satisfactory, for though there may not be so much residential or apartment houses construction work, yet most of this company's revenues come from industrial and engineering works. The present and predecessor companies have been in successful operation during the past sixteen years.

The company builds terminals, bridges, industrial plants, mine shafts and specializes in hydro-electric developments and all types of foundations. It obtains certain benefits through its close association with the American and the British companies of the same name.

Capitalization—

	Authorized	Outstanding
Common	$200,000	$200,000
Preferred 1st	400,000	400,000
Preferred 2nd ...	250,000	250,000

Par of common, $25; par of preferred, $100.
All of second pref. and $181,250 common are owned by the Foundation Co. of New York.

Officers and Directors—

John W. Doty, pres.; V. M. Drury, vice-pres.; R. E. Chadwick, vice-pres. and gen. mgr.; A. J. Brown, Franklin Remington, E. R. Decary, W. F. Angus, H. J. Deutschbein, C. B. McNaugh, N. A. Timmons, F. H. Phippen.

Dominion Engineering

Derives Earnings from Growth of Power and Paper Industries

The increase in the price of the shares of the Dominion Engineering Works over the past month or two has been due to the demand for pulp and paper and hydraulic machinery. Practically the entire earnings of this subsidiary of the Dominion Bridge are derived from the manufacture and sale of paper-making and hydraulic machines, but some machine shop and heavy foundry work is also turned out. It has an agreement with the William Cramp and Son Ship and Engine Building Company of the United States for the exclusive use in Canada and the British Empire of that company's designs for water wheels and other hydraulic and hydro-electric machinery.

In both fields of its activities, the company has achieved a high reputation. During the past year, it has been overloaded with orders and has been forced to turn down valuable contracts from new Canadian newsprint mills. At the present time it is engaged on a contract for four large newsprint machines for the new mill of the International Paper Company on the Gatineau river. These machines are the largest which have ever been built and will turn out a sheet of newsprint 270 inches in width. The company also has the order for the machines for the St. Anne Paper Company.

Outlook For The Future

The future outlook for the Dominion Engineering Works depends, as can be seen, on the amount of hydro-electric and pulp and paper developments taking place in Canada. It can be anticipated that the development of power in the Dominion will show as satisfactory strides in the future as it has in the past. At the present time also there seems to be no let-up to the expansion in the pulp and paper industry. There are more pulp and paper projects underway and in view than ever before. Thus, the outlook for the Dominion Engineering Works seems satisfactory.

During 1926, the company declared interim dividends on its capital stock, totalling 6 per cent in all. The present company, therefore, received from this source about $80,000 or the equivalent of 1½ per cent. of the outstanding stock of the Dominion Bridge Company.

As the subsidiary company has no securities, senior to its common stock, outstanding, future profits as they accrue will be entirely applicable to the shares.

Capitalization—

	Authorized	Outstanding
Stock	$2,500,000	$2,223,300

(A majority of the stock is owned by the Dominion Bridge Co.).

Funded Debt—

None.

Dividend Record—

An initial dividend of $3 was paid July 31, 1926.

Officers and Directors—

G. H. Duggan, pres.; A. J. Brown, K.C., vice-pres.; J. C. Smith, vice-pres.; F. W. Evens, sec. and treas.; John Overn, Jr., gen. mgr.; J. Garland, supt.; J. S. Houston, compt.; F. W. O'Neill, pur. agent; W. F. Angus, Sir H. Holt, J. M. McIntyre, H. Murray, F. W. Molson, F. L. Wanklyn, G. Chahoon, Jr., H. B. Taylor.

Profit and Loss—

	*1924	1925
Profits	$115,344	$343,502
Depreciation	$ 58,358	$134,124
Bad debts	......	......
	$ 56,986	$209,378
Prev. surplus	......	56,986
	$ 56,986	$266,364
Addit. deprec.	......	17,267
P. & L. surplus ...	$ 56,986	$249,097
Earn. rate	2.63%	9.41%

*7 months to Dec. 31. Company reorganized June, 1924.

All Expense Tour
$95

Special Train from Chicago

Illinois Central Ninth Mid-Winter Vacation Party Special Train to New Orleans will leave Chicago Saturday, February 26, on a six-day trip to Mardi Gras. Returning, leaves New Orleans March 2. See the Beautiful Mississippi Gulf Coast without extra cost Side trip to Hot Springs, $23.25 additional.

Send for descriptive circular—use the coupon below

Mardi Gras at Biloxi, March 1. Two mammoth parades with Sieur D'Iberville in historic setting.

H. H. Hays, Canadian Agent
Illinois Central Railroad
310 Dominion Bank Bldg., Toronto, Ont.
Send, without cost to me, circular describing all-expense Mardi Gras tour to New Orleans.
Name..
Address....................................

America's Gayest Greatest Carnival

Masked Revellers—frolicking with riotous gayety—dancing, singing—thronging the quaint old streets in a scene of indescribable animation.

Join the happy crowds of good-natured masqueraders who rule New Orleans when carnival is King—Mardi Gras week ending March 1.

Panama Limited

The last word in elegance and luxury—21 hours to New Orleans. Leaves Chicago daily 12:30 p. m. Extra fare.

Two other fine all-steel trains daily to New Orleans leave Chicago 9:00 a. m. and 6:15 p. m.

Special reduced rate Mardi Gras round-trip fares, good on all trains, on sale at principal points in Canada, February 21 to 27, inclusive.

For reservations, circular giving full details, and booklets descriptive of New Orleans and of beautiful Gulf Coast, 'phone or write any Illinois Central representative.

H. H. Hays, Canadian Agent, Illinois Central Railroad
310 Dominion Bank Building, King and Yonge Streets
Phone ELgin 2759, Toronto, Ontario
583J

Illinois Central
THE ROAD OF TRAVEL LUXURY

FORTY YEARS OF PROGRESS

1926

New Insurance written - - - - - - $ 70,630,396.
Insurance in Force - - - - - - - 361,166,647.
Assets - - - - - - - - - - 67,643,709.
Dividends to be paid Policyholders in 1927 1,638,081.

Write for Copy of Annual Report

THE MANUFACTURERS LIFE INSURANCE COMPANY
ESTABLISHED 1887

PROTECTION ENDOWMENTS PENSIONS INCOME INSURANCE BUSINESS INSURANCE ANNUITIES

Durant of Canada

Financial Position of Company is Excellent With Prospect of Dividends Ultimately — Sales Are High

Durant Motors of Canada did a large volume of business in 1926 and the prospects for 1927 are excellent. The company has steadily improved its financial position and while an initial dividend on the stock probably is not contemplated the thousands of investors in the stock have reason to hope for returns ultimately.

This company owes no money at the bank and its plant and equipment at Leaside (Toronto) are free of all mortgages or other encumbrances. It is said to be one of the finest automobile plants on the continent and is well maintained. Its depreciated value is well over $2,000,000.

Beginning last August, Durant of Canada secured from its American parent exclusive right to the export markets for the popular-priced four and six-cylinder Stars. The export business has held well up to the 6,000-car annual basis anticipated and domestic sales are said to have approximated 10,000 cars in 1926. It is contended that the plant can be operated at a profit on a production of 10,000 cars annually.

Shares in Durant of Canada were sold originally in small units with a privilege of conversion into shares of Durant of Delaware. Many share holders took advantage of this right before it expired last year. The outlook now is that, aside from the fact that shares of Durant of Delaware are more easily marketed, the shareholders who retained their Canadian shares were the wiser. Earnings of Durant of Delaware are dependent on the earnings of a great many subsidiary companies, many of which are not in a position to do as well as the Canadian company under its present management.

Durant of Delaware always has controlled Durant of Canada and the conversion of many shares into those of the Delaware company has increased the margin of control. But it is provided that the parent company shall not share in the profits of Durant of Canada until after dividends have been paid on the Canadian shares outstanding.

Capitalization—

	Authorized	Outstanding
Stock	$3,000,000	$2,846,640
Par $10.		

Funded Debt—
None.

Officers and Directors—
W. C. Durant, pres.; C. F. Daly, vice-pres. and treas.; H. F. Herbermann, sec.; James A. Brand, asst. sec.; R. E. Kerby, gen. mgr.; C. O. Miniger, E. A. Wallberg.

Profit and Loss—	†Dec. 31, 1924	Dec. 31, 1925
Sales of cars ...	$4,376,018	$5,844,226
Sales of parts .	193,405	297,420
Total sales	$4,569,423	$6,141,646
Deficit for year	78,250	20,884
Prev. surplus ..	18,201	*60,049
Surplus	$ 60,049	‡$ 77,012

* Deficit.
† 10 months.
‡ Adjusted.

National Cement

Due to Low Prices, Situation Surrounding Company is Obscure

The prevailing low price of cement in the province of Quebec prevents the National Cement Company making the earnings which were anticipated at the time of its formation. However, the company is meeting its bond interest and if the financial strength of those associated with the undertaking be any criterion, it looks as if it would continue to meet the bond interest. The company is handicapped because of the competition of the Canada Cement Company and the whole situation surrounding the undertaking is somewhat obscure. The management has made no announcement indicating just what effect the prevailing price levels for cement have on its earning power or whether or not the present prices allow the company to earn its bond interest.

There seems to be no chance of an improvement in the company's position until there is an increase in the price of cement, but this appears to be as far away as ever.

	Authorized
Common	50,000 shs. (no par)
Pref. 7 per cent.	$1,500,000. (Par $100.)

Funded Debt—
First serial gold bonds, 7 per cent. due $50.000 annually, May 1, 1927 to 1929, inclusive; $100,000 annually May 1, 1930 to 1937, inclusive, and $550,000 May 1, 1938; outstanding $1,500,000.

Officers and Directors—
Joseph Versailles, pres.; Donat Raymond, vice-pres.; J. R. Lefebvre, sec. and treas.; Hon. G. A. Simard, Hon. J. M. Wilson, E. C. Vidricaire, L. H. Timmins, R. K. Meade.

Greening Wire

Three Generations of Family Have Built Up Large Domestic and Export Trade

Business of the B. Greening Wire Co. has been satisfactory in 1926, it is learned, the demand for the company's products being good throughout the twelve months.

This company was incorporated in 1923 to take over the business which had been established since 1858 and had grown constantly under the direct management of three generations of the Greening family. It manufactures all classes of wire cables, wire cloths, screens, chains, and so forth and the widening use of wire, combined with expected national growth, makes the future bright for the company, although at present competition from Europe is being felt. The Pacific coast business is particularly affected.

Plants are operated at Hamilton and Montreal and besides the domestic business, the company has built up a steady volume of export business, particularly in the United States, Australia and South Africa.

Capitalization—	Authorized	Outstanding
Common	20,000 shs.	15,000 shs.
(No par value.)		
Preferred	$1,200,000	$650,000
7 per cent. cumulative. Par $100.		

Funded Debt—
First sinking fund, 6½ per cent. bonds, due 1943, $800,000.

Dividend Record—
Preferred regularly paid quarterly Jan., April, July and Oct. No dividends paid on common.

Officers and Directors—
H. B. Greening, pres.; F. J. Maw, vice-pres. and gen. mgr.; N. S. Braden, Gabriel Levy.

Financial Position—
Total assets as at July 1, 1924, were $2,667,665, and surplus $244,540.

Gotfredson Corp.

1926 Business Satisfactory for Company Producing Trucks, Buses, Cabs

The Gotfredson Corp., Walkerville, did a very good business in 1926 and it is expected that the annual report, which will be available in March, will show gratifying results from the viewpoint of shareholders in the company. Profits in 1925 were $245,280, compared to an average of $185,916 for the five years ended December 31, 1924. The 1925 earnings are equivalent to $2.45 on the 100,000 shares of common of no-par value outstanding.

The Gotfredson Corp. is an amalgamation of the American Auto Trimming Co., Walkerville, established in 1912, and the Gotfredson Truck Corp. of the same place. The auto trimming company was established in 1912 and the Gotfredson company entered the Canadian field in 1920. The consolidation took place in 1924.

The company manufactures trucks, buses and taxicabs and automobile bodies and is engaged in the painting and trimming of automobile bodies. The Canadian company has secured from the Detroit company the exclusive manufacturing and selling rights for Canada and all of the British Empire, including Great Britain and Ireland.

Models range from five-ton heavy-duty trucks to one-ton speed wagons. The coach and bus business is a natural outgrowth of the truck business and the company is securing a share of the expanding business in this and related lines.

Capitalization—	Authorized	Outstanding
Stock	100,000 shs.	100,000 shs.

Stock first publicly offered (20,000 shares) in June, 1925, at $25 per share.

Funded Debt—
None.

Dividend Record—
Dividends at the rate of 37½ cents per share, paid Oct. 15, 1925, and quarterly since.

Officers and Directors—
B. J. Gotfredson, pres.; Robt. B. Gotfredson, vice-pres.; M. H. Coleman, treas.; C. S. Porter, sec.; E. B. Thompson, G. L. Ellis, R. A. Daly.

Profit and Loss—	1925
Sales	$2,558,101
Cost of sales, less deprec. ..	1,981,921
Manuf. profit	$ 576,180
Expenses	286,152
Oper. profit	$ 290,028
Other income (net)	18,732
	$ 308,760
Depreciation	34,921
Prov. for income tax	28,559
	$ 245,279

Western Municipals

Bonds issued by municipalities give a higher interest return than issues of similar standing of eastern towns and cities.

This is due to the fact that all interest rates are higher in the West.

Investors who would increase the average earnings of their holdings will find our lists of value.

Pemberton & Son
Financial Agents
418 HOWE STREET
Vancouver, Canada
British Columbia Agents for Wood, Gundy & Co., Ltd.

The Investor—
Published monthly and sent gratis to interested inquirers by
McLEOD, YOUNG, WEIR & Co
Limited
Metropolitan Bldg.
TORONTO
MONTREAL OTTAWA
HAMILTON LONDON

Dependable Investments

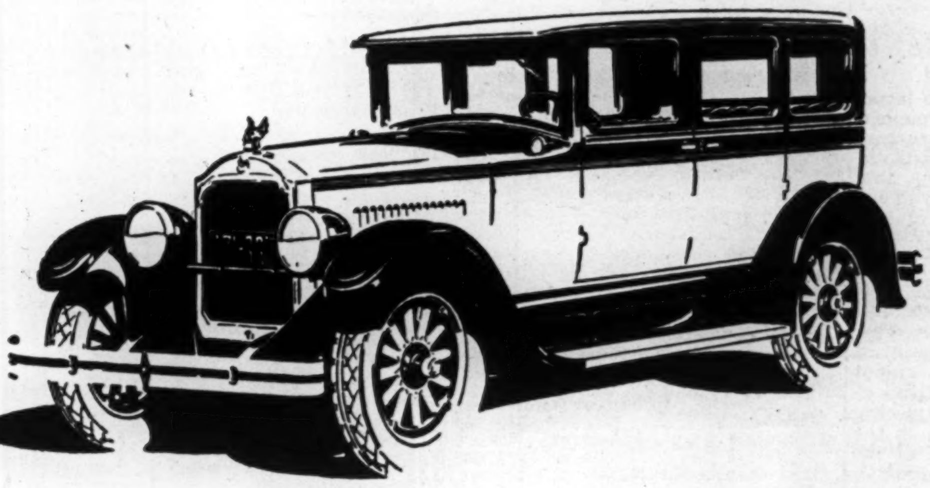
A·E·AMES & CO.
LIMITED
Business Established 1889

CANADIAN
Government, Municipal & Corporation
SECURITIES

53 KING ST. WEST, TORONTO
TRANSPORTATION BLDG. MONTREAL
11 WALL STREET — NEW YORK
LONDON BLDG. VANCOUVER
BELMONT HOUSE-VICTORIA, B.C.
GRESHAM HOUSE, OLD BROAD ST.
LONDON, E.C.2, ENG.

Suggestions on Request

The Aristocrat



PUBLIC OPINION has supported the enterprise and integrity of Durant Motors of Canada Limited, in the establishment of a quality, low-price automobile on the Canadian Market.

This support has been won by the steadfast, business-like policies that govern the executive direction of the company and the manufacture and sale of its products.

The ever increasing value of dealership connection with Durant Motors of Canada Limited, and the ever increasing demand for Star Cars is striking evidence of the reality of this support and of the confidence which the Canadian public has in the Company and the New Star Car.

DURANT MOTORS OF CANADA LIMITED
TORONTO - - CANADA